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Title:
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Place:
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Date:
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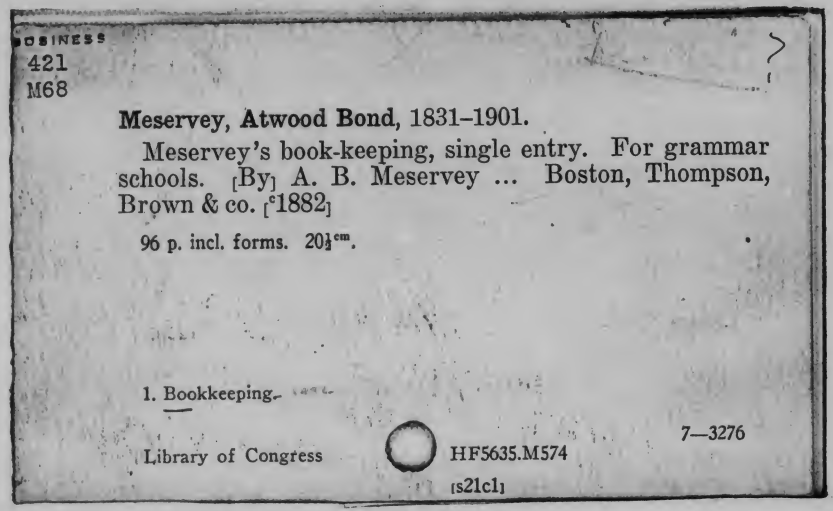

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PREFACE.

FORMERLY only those who expected to become accountants or merchants considered it necessary to study book-keeping; but public sentiment in this respect, for several years, has been gradually changing. Now it is generally admitted that every person should be able to record properly any common business transaction. To accomplish this, the simpler forms of book-keeping must be taught in the grammar-schools, to meet the wants of those pupils whose school-days are limited.

To meet the demand often expressed for the single-entry part of Meservey's Book-keeping as a text-book in the grammar-school grade, without the expense of the double entry, more especially adapted for high schools and academies, this book is prepared. It contains a full treatment of single entry.

One cause for want of success in teaching book-keeping in the grammar-schools has been the want of a proper text-book. It is believed that this little work will be found to meet the requirements in this respect. It is simple, plain, concise, and progressive; and teachers will find no difficulty in explaining, and pupils no trouble in understanding it. The rules are few and simple, the explanations ample.

The question and answer method has been used in order to illustrate the author's method of teaching the subject. It is not expected that pupils will be confined to the questions and answers in the text, but that these should serve as models for numerous others which will readily suggest themselves to the teacher.

Those who desire to obtain a more extensive knowledge of book-keeping are referred to the author's larger work.

NEW HAMPTON, May 10, 1882.

TABLE OF CONTENTS.

	Page.
Preface	3
Introduction to first form	9
First form	13
Example I.	13
Index to Ledger	16
Ledger of first form	18
Example II.	26
Second form	28
Example III.	29
Index to Ledger	31
Ledger of second form	32
Example IV.	36
Third form	38
Example V.	39
Day-book of third form	41
Questions on cash-book	44
Cash-book of third form	46
Questions on the Ledger	48
Ledger of the third form	49
Proof of the posting	50
Example VI.	52
Proof-sheet	54
Fourth form	54
Example VII. — Day-book	56
Ledger of Example VII.	63
Example VIII.	67
Fifth form	69
Example IX.	70
Invoice-book of Example IX.	70
Sales-book " " "	73
Day-book " " "	76
Cash-book " " "	80

	Page.
Ledger of Example IX.	82
Proof-sheet " "	84
Bill-book " "	86
Example X.	88
Proof-sheet of Example X.	90
Balance account " "	91
Notes, drafts, &c.	92
Forms	94

ABBREVIATIONS.

@, *at.*
%, *account.*
Acc't, *account.*
Am't, *amount.*
Bal., *balance.*
Bbl., *barrel.*
B. B., *bill-book.*
B. R., *bills receivable.*
Bu., *bushel.*
¢, *cents.*
Ch., *choice.*
Cts., *cents.*
C. B., *cash-book.*
Co., *company.*
Cr., *creditor.*
D. B., *day-book*
Doz., *dozen.*
Dr., *debtor.*
Ds., *days.*
Ex., *extra.*
Ft., *feet.*
Gall., *gallon.*
Gr., *ground.*
Gran., *granulated.*
Hhd., *hogshead.*
I. B., *invoice-book.*
Inst., *present month.*
Int., *interest.*
Inv., *inventory.*
L., *ledger.*
Lbs., *pounds.*
Mdse., *merchandise.*
Mos., *months.*
No., *number.*
Oz., *ounce.*
Prs., *pairs.*
Per., *by.*
%, *per cent.*
P'd., *paid.*
Qt., *quart.*
Rec'd, *received.*
S. B., *sales-book.*
Super., *superfine.*
$, *U. S. currency.*
Vols., *volumes.*
Yds., *yards.*
&, *and.*

SINGLE ENTRY.

BOOK-KEEPING.

SINGLE ENTRY.

1. WHAT is book-keeping?

Book-keeping is the science of accounts, and the art of recording business transactions.

2. What is a business transaction?

A business transaction is an exchange of values.

3. How many parties must there be to a business transaction?

At least two, a debtor and a creditor.

4. Who is the debtor?

The debtor is the person who receives value.

5. Who is the creditor?

The person from whom value is received.

6. What are debits and credits?

Debits are entries against debtors: credits are entries in favor of creditors.

7. What is an account?

An account is the record of one or several business transactions, arranged under some title, so as to show the proper debits and credits.

8. How many methods of book-keeping are there?

Two, — single entry and double entry.

9. What is the distinction between the two methods?

In single entry, an account is kept with only one party to the transaction, either the debtor or creditor: in double entry, an account is kept with both parties.

10. Which method should be learned first?

Single entry; because it is more simple, in more general use, and more practical for ordinary purposes.

11. What is the simplest form of single entry book-keeping?

That in which the ledger only is used.

12. What is a ledger?

A ledger is a book in which the results of business transactions are classified under appropriate titles, and the debits properly separated from the credits.

13. In a ledger of the first form, how many pages are used for an account?

Two.

14. What are placed on the right-hand page?

Credit entries.

15. What are placed on the left-hand page?

Debit entries.

16. What is the first horizontal line in a ledger?

A single blue line.

17. What is the second?

A double red line.

18. What are all the other horizontal lines?

Single blue.

19. What is the first vertical line?

Single red.

20. What is the second vertical line?

Single red.

21. The third?

Double red.

22. The fourth?

Single red.

23. Where should the number of the page be written?

At the upper outside corner.

24. How far from the top?

Far enough to look well.

25. How far from the margin?

As far as from the top.

26. With what kind of ink?

Black.

27. What should be written on the first horizontal line?

The name of the account, and Dr.

28. Where should each be written?

The name of the account should be written in the centre, Dr. over the debit money columns.

29. What kind of ink should be used on the first line?

Black.

30. Which way do spaces extend?

Across the page.

31. Which way do columns extend?

Vertically.

32. What should be written in the first column?

The year and month.

33. Where should they be written?

The year should be written in the upper half of the first space, the month in the lower half.

34. When should either be written again?

When it changes.

35. What should be written in the second column?

The day of the month.

36. What in the third?

A record of transactions producing debits.

37. What in the fourth?

Debit dollars.

38. What in the fifth?

Debit cents.

39. What kind of ink should be used in all these columns?

Black, except for closing entries.

40. How should the credit side of the ledger be ruled?

Like the debit side.

41. What should be written on the first horizontal line?

The name of the account, and Cr. The name should be *centred*, and Cr. should be placed over the credit money columns.

42. What should be written in the first column?

(See answers to questions 32, 33, 34.)

43. What in the second?

(See 35)

44. What in the third?

Records of transactions producing credits.

45. What in the fourth?

Credit dollars.

46. What in the fifth ?

Credit cents.

47. What kind of ink should be used on the credit side ?

Black, except the closing entries.

48. When should black ink be used in making entries ?

When the entry is made in its proper place.

49. When should red ink be used ?

When the entry is made out of its proper place ?

50. How should a ledger account be closed ?

Add the debit money columns; add the credit money columns; take the less amount from the greater; place the difference on the smaller side with red ink; draw a single red line across the money columns; foot the money columns; draw a double red line across the date and money colums.

51. Why should the difference be entered on the smaller side ?

In order to balance the account.

52. Why should the entry be made with red ink ?

It is not in its proper place.

53. What shall be done with the red ink balance?

It should be written below the balance lines, on the opposite side of the account, with black ink.

54. When will there be no red ink entry?

When the debit and credit sides are equal.

55. When will the footings of the money columns, and the single red lines, be omitted in balancing an account?

When there is only one amount on each side.

56. By whom should the first form of accounts be used?

By mechanics, farmers, and others who are not doing an extensive business.

FIRST FORM.

The following is a record of part of the business transactions of Lucius S. Gordon, a blacksmith in New Hampton, for the two months commencing Jan. 1, 1875, arranged in the order of their occurrence.

Following this record, is a ledger of the first form, in which all the transactions are arranged under their proper titles, and the debits separated from the credits. The student should provide himself a set of blanks, a good rule, black ink, red ink, black ink pen, red ink pen, ruling pen, pencil, rubber, and blotters.

The learner should carefully observe the following: —

1. Thoroughly understand every transaction before making the entry.
2. Spell every word correctly.
3. Write every word neatly.
4. Make every figure plainly.
5. Draw every line properly.
6. Consult the form whenever there may be uncertainty.

EXAMPLE I.

RECORD OF BUSINESS TRANSACTIONS.

Jan. 1, 1875. — Commenced business this year with cash on hand, $67.42. (Every person, however limited his business, should keep a cash account, in order that he may have an accurate record of his receipts and disbursements, and may know at any time the amount of money on hand. It has been agreed by bookkeepers, that money on hand and money received shall be entered on the debit side of cash account; that money paid out shall be entered on the credit side. The above transaction, therefore, should be entered on the Dr. side of cash account.) Shod two horses for J. S. Piper, with new shoes all round, @ $1.75 each, which we have charged him on %. (J. S. P. Dr.)

Jan. 4. — Paid Ward, Humphrey, & Co.'s bill for iron, $47.18. (To be entered on the Cr. side of cash %.) J. S. Piper has this day hauled a load of iron and coal from Bristol, for which we credit him $2.00 on account (J. S. P. Cr.)

Jan. 6. — Mended sleigh for C. D. Thyng, $2,31. (C. D. T. Dr.) Shod oxen for E. C. Lewis, $3.00. (E. C. L. Dr.) Sharpened iron bar for Hon. Dana Woodman, $0.18. Paid cash for beef 78¢. (Cash Cr.)

Jan. 8. — Bought of M. H. Merrow on %, 1 bag meal, $1.76; 10 lbs. granulated sugar, @ 13¢; 2 lbs. raisins, @ 25¢; 1 gal. molasses, 67¢; 1 lb. tea, $1.25; 1 bar soap, 30¢. (M. H. M. Cr.)

Jan. 9. Charged Dana Woodman $3.00 for mending shafting for mill, and 28¢ for mending chains. Shod horse for Wm. Dyer, $1.75. Set two shoes on horse of M. H. Merrow, 30¢. Paid for coal $6.91. (Cash Cr.) Received cash for work this week, $13.47. (Cash Dr.)

Jan. 11. — Shod two horses for J. D. Moore, @ $1.75; mended sleigh, $1.62; made 4 staples, @ 10¢, which we have charged to his %. Bought 1 bbl. flour of M. H. Merrow, $10.75; 10 lbs. lard, @ 14¢; 4½ lbs. cheese, @ 20¢. (M. H. M. Cr.) Paid him $14.00 cash. (M. H. M. Dr., and Cash Cr.)

Jan. 14. — Hon. Dana Woodman has this day hauled me two loads slab wood, @ 75¢; and I have shod his horse, and charged him $1.75. (D. W. Cr. and Dr.)

Jan. 16. — Bought of C. D. Thyng on %, 1 quart oysters, 30¢; ½ bush. apples, 63¢; and charged him for shoeing sled $6.50. (C. D. T. Cr. and Dr.) Bought of Wm. Dyer on %, 32 lbs. old iron, @ 2¢. (W. D. Cr.) Received cash for work this week, $8.42.

Jan. 18. — Hired horse and sleigh of E. C. Lewis to go to Bristol, for which I credit him $1.00. Hon. Dana Woodman has this day paid cash to balance his %. (This should be entered on the Cr. side of Dana Woodman's account, and on the Dr. side of cash account.)

Jan. 19. — Shod horse for E. C. Lewis, $1.75. Made for M. H. Merrow 2 large bolts, @ 75¢, and 12 small bolts, @ 8¢. Paid tax, $13.50. (Cash Cr.)

Jan. 23. — Shod 2 yoke oxen for J. S. Piper, @ $3.00; made for him also 1 sled bridle, $2.00; bolted yoke, 75¢. Received cash for work this week, $7.50.

Jan. 25. — Paid cash for insurance, $8.42. J. D. Moore has paid cash on %, $5.00. Made yoke irons for J. S. Piper, $1.75; and he has hauled me 2 cords green wood, @ $4.00. Fixed

iron dogs for Dana Woodman, 94¢. Set shoes on his sled, $1.87.

Jan. 26. — Set one shoe on horse for E. C. Lewis, 15¢. Mended chain for him, 20¢.

Jan. 28. — Bought of M. H. Merrow on %, 6 yds. print, @ 12½¢; 2 yds. doeskin, @ $1.75; 14 lbs. lard, @ 13¢; 6½ lbs. butter, @ 31¢; 1 lamp, $1.75. Set 2 shoes on ox, 20¢, and mended sleigh, 78¢, for E. C. Lewis. He has paid me cash on %, $5.00.

Jan. 30. — Bought of E. C. Lewis on %, 2 cords dry wood, @ $5.00 per cord. Received cash for work this week, $9.72.

Feb. 1. — Mended staple, 25¢; fixed whippletree, 42¢; mended chain-hook, 19¢, for Wm. Dyer on %.

Feb. 4. — Set shoes on horse for J. D. Moore, 60¢.

Feb. 6. — Made 2 bolts for Dana Woodman, @ 20¢. Received cash for work this week, $18.31.

Feb. 8. — Charged E. C. Lewis for work as follows: shoeing horse, $3.00; bolting yoke, 37¢; repairing staple, 42¢.

Feb. 11. — Bought of Dana Woodman on %, 134 ft. boards, @ 2¢ per foot. Bought of M. H. Merrow on %, 1 box salt 42¢; 1 gal. oil, 28¢.

Feb. 13. — Made pork-hook for M. H. Merrow, 25¢. Received cash for work this week, $7.41.

Feb. 15. — Bought of J. S. Piper on %, 2 bu. potatoes, @ 62¢; 1 bu. turnips, 75¢; ½ ton hay, $9.00; paid him cash, $6.00.

Feb. 17. — Shod horse for Dana Woodman, $1.75.

Feb. 19. — Received of C. D. Thyng, cash to balance %, $7.88.

Feb. 20. — Set shoes on horse for Wm. Dyer, 60¢. Received cash for work this week, $14.06.

Feb. 22. — Received of Wm. Dyer cash on %, $2.00. Paid New Hampton Institute, cash for tuition, $6.00.

Feb. 25. — Made 1 set hinges for Dana Woodman, 75¢.

Feb. 27. — Received cash for work this week, $9.63.

The several accounts are now to be closed with red ink balances, and these are to be brought down on the opposite side with black ink. As the month ends Sunday, the ledger may be closed Saturday, 27th, and the black ink balances should be dated March 1.

The student should thoroughly study this record, trace every transaction to its proper place, and then correctly post it to ledger No. 1.

INDEX TO LEDGER.

The index to the ledger is usually placed in a long, narrow book made specially for the purpose. On the first page are placed all the names in the ledger commencing with A; on the next, all those beginning with B; and so on: but we arrange this as below in order to save space.

NAMES.	PAGE.	NAMES.	PAGE.
A		G	
B		H	
C Cash,	18	I	
D Dyer, William,	24	J	
E		K	
F		L Lewis, E. C.,	22

NAMES.	PAGE.	NAMES.	PAGE.
M Merrow, M. H., Moore, J. D.,	24 24	T Thyng, C. D.,	20
N		U	
O		V	
P Piper, J. S.,	20	W Woodman, Hon. Dana,	22
Q		X	
R		Y	
S		Z	

CASH. *Dr.*

1875.				
Jan.	1	To amount on hand,	67	42
"	9	" rec'd for work this week,	13	47
"	16	" " " " " "	8	42
"	18	" " of Hon. Dana Woodman to bal. %,	3	71
"	23	" " for work this week,	7	50
"	25	" amount rec'd of J. D. Moore on %,	5	00
"	28	" rec'd of E. C. Lewis on %,	5	00
"	30	" " for work this week,	9	72
Feb.	6	" " " " " "	18	31
"	13	" " " " " "	7	41
"	19	" " of C. D. Thyng to balance %,	7	88
"	20	" " for work this week,	14	06
"	22	" " of Wm. Dyer on %,	2	00
"	27	" " for work this week,	9	63
			179	53
Mar.	1	To balance brought down,	76	74

57. What should be entered on the debit side of cash %?

The amount of money on hand at commencing, and all money afterward received.

58. What should be entered on the credit side of cash %?

All money paid out.

59. What is the first step in closing the above cash %?

Add the debit amounts, which we find to be $179:53. This is the total amount of receipts during the two months.

60. What is the second step?

Add the credit amounts, which we find to be $102.79. This is the total amount of disbursements.

61. What is the third step?

Subtract the less amount from the greater, and enter the difference on the credit side with red ink. The difference is $76.74, which is the amount of money on hand.

62. What is the difference sometimes called?

It is called a balance, because it serves to balance the %.

63. Why is it entered with red ink?

Because it is not in its proper place. The credit side of cash % was made for money paid out, and this balance is the amount of money on hand.

CASH. *Cr.*

1875.				
Jan.	4	By paid Ward, Humphrey, & Co.'s bill,	47	18
"	6	" " for beef,		78
"	9	" " for coal,	6	91
"	11	" " M. H. Merrow on %,	14	00
"	19	" paid tax,	13	50
"	25	" " for insurance,	8	42
Feb.	15	" " J. S. Piper on %,	6	00
"	22	" " for tuition to New Hampton Inst.,	6	00
Feb.	27	" balance (amount on hand),	76	74
			179	53

64. Why, then, is it placed on the credit side?

Because we wish to balance the %, and this is the only amount which will balance it.

65. What is the fourth step?

Draw single lines under the figures opposite each other across the money columns.

66. What is the fifth step?

Foot the money columns.

67. What is the sixth step?

Draw double lines across the date and money columns.

68. What is the seventh step?

Bring down the red ink balance on the opposite side, below the balance lines, with black ink to indicate that it is in its proper place.

69. Will this % now stand as before it was balanced?

It is the same; for we have credited the % with $76.74, and we have also debited the same amount. In other words, we have thrown out the amount of the credit side from both sides of the %, and made each $102.79 less than before; leaving $76.74 on the debit side, which is the amount on hand at the beginning of the next month.

J. S. PIPER. *Dr*

1875.					
Jan.	1	To shoeing 2 horses @ $1.75,		3	50
"	23	" " 2 yoke oxen @ $3.00,	$6.00		
"		" 1 sled bridle,	2.00		
"		" bolting yoke,	.75	8	75
"	25	" yoke irons,		1	75
Feb.	15	" cash on %,		6	00
Feb.	27	" balance,			99
				20	99

70. What are accounts with persons sometimes called?
Personal accounts.
71. What is entered on the debit side of this %?
Our account against him, which is $20.00.
72. What is entered on the credit side?
His account against us, which is $20.99.
73. What is the difference?
The amount we owe him, which is 99¢.
74. Where should this be entered?
It should be entered as a balance on the debit side with red ink.

C. D. THYNG. *Dr.*

1875.				
Jan.	6	To mending sleigh,	2	31
"	16	" shoeing sled,	6	50
			8	81

78. Why is this account closed with no red ink entry?
Because he paid cash to balance his account, which was entered in the proper place to his credit.

J. S. PIPER. *Cr.*

1875.					
Jan.	4	By hauling iron and coal from Bristol,		2	00
"	25	" 2 cords green wood @ $4.00,		8	00
Feb.	15	" 2 bushels potatoes @ 62 ,	$1.24		
"		" 1 bushel turnips,	.75		
"		" ½ ton hay,	9.00	10	99
				20	99
Mar.	1	Balance brought down,			99

75. Why on the debit side?
Because it is the smaller.
76. Why with red ink?
It is not in its proper place. The debit side of the % was made for our % against him, and this red ink balance is what we owe him.
77. What shall now be done with the red ink balance?
It should be brought down below the balance lines, on the credit side, with black ink, as the balance of his % against us.

C. D. THYNG. *Cr.*

1875.					
Jan.	16	By 1 quart oysters,	.30		
"		" ½ bushel apples,	.63		93
Feb.	19	" cash to balance %,		7	88
				8	81

79. How was this amount ascertained?
By subtracting the sum of the credits from the sum of the debits.

EDWIN C. LEWIS. *Dr.*

1875.					
Jan.	6	To shoeing oxen,		3	00
"	19	" shoeing horse,		1	75
"	26	" setting shoe on horse,	.15		
"		" mending chain,	.20		35
"	28	" setting two shoes on ox,	.20		
"		" mending sleigh,	.78		98
Feb.	8	" shoeing horse,	$3.00		
"	8	" bolting yoke,	.37		
"	8	" repairing staple,	.42	3	79
Feb.	27	To balance,		6	13
				16	00

80. What does a red ink balance on the debit side of a personal account show?

Our indebtedness to the person.

HON. DANA WOODMAN. *Dr.*

1875.					
Jan.	6	To sharpening iron bar,			18
"	9	" mending shafting,	$3.00		
"		" mending chains,	.28	3	28
"	14	" shoeing horse,		1	75
				5	21
Jan.	25	To fixing iron dogs,	.94		
"		" setting shoes on sled,	$1.87	2	81
Feb.	6	" 2 bolts @ 20¢,			40
"	17	" shoeing horse,		1	75
"	25	" 1 set hinges,			75
				5	71
March	1	To balance brought down,		3	03

81. Why was this account balanced Jan. 18?

Because he paid what was then due, and the account was balanced.

EDWIN C. LEWIS. *Cr.*

1875.				
Jan.	18	By horse and sleigh to Bristol,	1	00
"	28	" cash on %,	5	00
"	30	" 2 cords wood (dry), @ $5.00,	10	00
			16	00
March	1	By balance brought down,	6	13

HON. DANA WOODMAN. *Cr.*

1875.				
Jan.	14	By two loads wood @ 75¢,	1	50
"	18	" cash to balance %,	3	71
			5	21
Feb.	11	By 134 feet boards, @ 2¢,	2	68
Feb.	27	By balance,	3	03
			5	71

M. H. MERROW. *Dr.*

1875.					
Jan.	9	To setting 2 shoes on horse,			30
"	11	" cash on %,		14	00
"	19	" making 2 large bolts, @ 75¢,	$1.50		
"		" making 12 small bolts, @ 8¢,	.96	2	46
Feb.	13	" pork hook,			25
Feb.	27	To balance		12	36
				29	37

82. When should the partial amounts be short-extended?
When there are two or more items in the transaction.

83. What is meant by short-extended?
Dropped before the double line.

WILLIAM DYER. *Dr.*

1875.					
Jan.	9	To shoeing horse,		1	75
Feb.	1	" mending staple,	.25		
"		" fixing whippletree,	.42		
"		" mending chain hook,	.19		86
"	20	" setting shoes on horse,			60
				3	21
Mar.	1	To balance brought down.			57

JOSEPH D. MOORE. *Dr.*

1875.					
Jan.	11	To shoeing 2 horses, @ $1.75,	$3.50		
"		" mending sleigh,	1.62		
"		" making 4 staples, @ 10¢,	.40	5	52
Feb.	4	" setting shoes on horse,			60
				6	12
March	1	To balance brought down.		1	12

M. H. MERROW. *Cr.*

1875.					
Jan.	8	By 1 bag meal,	$1.76		
"		" 10 lbs. gran. sugar, @ 13¢,	1.30		
"		" 2 lbs. raisins, @ 25¢,	.50		
"		" 1 gal. molasses,	.67		
"		" 1 lb. tea,	1.25		
"		" 1 bar soap,	.30	5	78
"	11	" 1 bbl. flour,	10.75		
"		" 10 lbs. lard, @ 14¢,	1.40		
"		" 4½ lbs. cheese, @ 20¢	.90	13	05
"	28	" 6 yds. print, @ 12½¢,	.75		
"		" 2 yds. doeskin, @ $1.75,	3.50		
"		" 14 lbs. lard, @ 13¢,	1.82		
"		" 6½ lbs. butter, @ 31¢,	2.02		
"		" 1 lamp,	1.75	9	84
Feb.	11	" 1 box salt,	.42		
"		" 1 gal. oil,	.28		70
				29	37
Mar.	1	By balance brought down,		12	36

84. What is meant by full-extended?
Carrying the footing into the money columns.

WILLIAM DYER. *Cr.*

1875.					
Jan.	16	By 32 lbs. old iron, @ 2¢,			64
Feb.	22	" cash on %,		2	00
Feb.	27	By balance,			57
				3	21

JOSEPH D. MOORE. *Cr.*

1875.					
Jan.	25	By cash on %,		5	00
Feb.	27	By balance,		1	12
				6	12

EXAMPLE II.

Record of some of the business transactions of J. S. Granger, a farmer, for January and February, 1875.

Jan. 1, 1875. — Cash on hand this day, $31.17. (This should be entered on the debit side of cash %.)

Bought of James Graham on %, 1 bbl. flour, $9.75; 42 lbs. granulated sugar, @ 13¢; 2 lbs. raisins, @ 26¢; 1 lb. tea, $1.37; 8 lbs. coffee, @ 44¢. (J. G. Cr.) Paid cash for tax, $19.00. (Cash Cr.)

Jan. 4. — Sold Galon Keene on %, 2 cords dry wood, @ $4.75; and 1 cord green wood, $4.12. (G. K. Dr.)

Jan. 6. — Sold four-year-old colt for $162. (Cash Dr.)

Jan. 9. — Bought of George Allen on %, 1 pr. men's thick boots, $6.75; 2 prs. boy's boots, @ 5.25. (G. A. Cr.)

Jan. 11. — Paid James Graham cash on %, $15.00. (J. G. Dr. and Cash Cr.) John H. Eastman shod our horse, and charged us on %, $1.75, and mended chain, 31¢. (J. H. E. Cr.) We have sold him 1 bbl. apples, $3.50; 4 bu. potatoes, @ 56¢; 16 lbs. butter, @ 30¢. (J. H. E. Dr.)

Jan. 14. — Bought of Charles H. Fogg on %, 12 yds. Merrimac print, @ 12½¢; 17 yds. bleached sheeting, @ 15¢; 4 yds. flannel, @ 50¢. Sold him 1 ton hay, $18.00; ¼ bu. beans, $1.00. (C. H. F. Cr. and Dr.)

Jan. 18. — Sold James Graham on %, 1 cheese, 28 lbs., @ 21¢; 14 bu. potatoes, @ 45¢; 2 bbls. apples, @ $3.50; 6 cabbages, @ 15¢; and bought of him 10 gals. molasses, @ 62¢; 1 box salt, 42¢; ¼ gross matches, 40¢; ¼ lb. nutmegs, 45¢; ¼ lb. gr. pepper, 12¢. (J. G. Dr. and Cr.)

Jan. 20. — John H. Eastman has ironed sled, and charged us on % $7.42. (J. H. E. Cr.)

Paid cash for "Mirror and Farmer" one year, $1.00.

Jan. 23. — Bought of Charles H. Fogg 3 yds. doeskin, @ $1.75; trimmings for pants, $1.10; 1 pr. gloves, 75¢; 1 horse-blanket, $4.25.

Jan. 25. — Paid George Allen cash to balance %, $17.25. (G. A. Dr. and Cash Cr.) Galon Keene hired horse and sleigh of us to go to Belfast, for which we charge him $3.00 on %.

Jan. 28. — Bought of Amos C. Brooks, on %, 1 cooking-stove, $35.50. Sold him 4 cords green wood, @ $4.00; 1 cord dry wood, $5.00.

Jan. 30. — Credited John Adams for one month's work, $30. Sold him on %, 1 ham, 20 lbs., @ 12½¢; 3 doz. eggs, @ 25¢; 1 bbl. apples, $4.25; 1 bu. corn, 92¢; 1 bu. rye, $1.10; and paid him cash to balance, $20.48.

Feb. 1. — Bought of Webster Moody on %, 500 ft. hemlock boards, @ 2½¢ per ft.; 2 thousand No. 1 shingles, @ $3.00; 425 ft. pine boards, @ 3¢ per ft. Sold him one ton hay, $18.00; 20 bu. oats, @ 70¢.

Feb. 4. — Galon Keene has made for me 1 bookcase valued at $20.75, which I credit him on %. Bought of George Allen on %, 2 pr. children's rubber boots, @ $1.75; 1 pr. kid slippers, $2.25. Sold for cash 30 bu. potatoes, @ 45¢.

Feb. 6. — John H. Eastman has shod our oxen, and charged us on % $3.00. Bought of Charles H. Fogg, 18 yds. alpaca, @ 75¢; 6 yds. cambric, @ 12½¢; 1 doz. buttons, 50¢; 1 spool machine silk, 25¢.

Feb. 8. — Bought of Amos C. Brooks, 1 bird-cage, $2.25; 1 coffee-pot, $1.00. Galon Keene hired oxen of me for hauling lumber, for which we charge him on % $2.00.

Feb. 10. — Sold for cash, 1 heifer for $30.00. Paid Dr. Samuel Johnson, cash, $10.75, for medical attendance.

Feb. 13. — Let John Adams have on %, 1 cord dry wood, $4.75; 2 bu. potatoes, @ 62¢; ¼ bu. beans, $1.00; 6 lbs. pork, @ 18¢. Galon Keene has repaired two tables, and charged us on %, $1.75. Charged Webster Moody $2.00 for use of oxen.

Feb. 15. — Sold James Graham on %, 10 lbs. dried apple, @ 12¢; 30 lbs. butter, @ 30¢; 10 doz. eggs, @ 25¢. Bought of him ½ lb. castile soap, 12¢; 1 bu. salt, 90¢; 10 lbs. codfish, @ 8¢; 5 gals. kerosene oil, @ 40¢.

Feb. 16. — Gave John Adams order on James Graham for 1 bbl. flour, $10.25. (J. A. Dr. and J. G. Cr.)

Feb. 18. — John H. Eastman has set shoes on horse for us, 60¢; also mended chain, 20¢, and shovel 15¢, for which he has charged us on %.

Feb. 19. — Paid cash for seed, $5.95. Sold Charles H. Fogg ¼ cord pine wood, $1.00, and paid him $10.50 cash on %. Bought

of him 12 yds. denim, @ 28¢. Galon Keene hired our horse to go to Camden, for which we charge him $3.00 on %.

Feb. 20. — Let John Adams have on %, 10 lbs. lard, @ 22¢; 5 lbs. dried apple, @ 10¢; 1 bu. corn, 92¢.

Feb. 22. — Bought of George Allen on %, 1 pr. ladies' boots, $3.25; 1 pr. rubber overshoes, 75¢.

Feb. 23. — Bought of Webster Moody on %, 134 ft. boards, @ 2¢ per ft., and 1,500 laths, $2.50. Galon Keene has made me 60 sap-buckets, @ 40¢, for which he has charged me on %.

Feb. 25. — Bought of Amos C. Brooks 2 sap-pans, @ $5.00, and paid him cash on %, $10.50. Bought of James Graham 1 lb. tea, $1.37; 20 lbs. wrought-iron nails, @ 3¢; 2 gals. linseed oil, @ $1.00; 5 lbs. raisins, @ 25¢; 10 lbs. rice, @ 10¢.

Feb. 27. — Credited John Adams for one month's work, $30.00. Paid him cash to bal. %, $8.06. Sold George Allen on %, 1 ton hay, $18.00. Sold Webster Moody 9 bu. potatoes, @ 60¢ on %.

This record should be written out in a manner similar to the first example. If correctly entered in the ledger, there will be a cash account, and eight personal accounts. J. S. Granger will have $118.18 cash on hand; he will owe James Graham 72¢, Galon Keene, $24.88, J. H. Eastman $2.89, Charles H. Fogg $5.26, Amos C. Brooks $17.25. George Allen will owe him $8.25, Webster Moody $2.97, and John Adams's % will balance.

SECOND FORM.

85. In the second form of accounts, how many books are used?
The ledger only.

86. How many pages are used for an account?
One.

87. What three things are written on the first blue line?
The name of the account, Dr., and Cr.

88. Where should Dr. be written?
Over the first, or debit money columns.

89. Where should Cr. be written?
Over the second, or credit money columns.

90. How should the date be written?
As in the first form.

91. What should be written in the third column?
The debit and credit items in the order of their occurrence. Each debit entry should commence with "To," and each credit entry with "By."

92. What should be written in the first set of money columns?
Debit amounts.

93. What in the second?
Credit amounts.

94. What kind of ink should be used in a ledger of the second form?
Black, except the closing entries, which should be red.

EXAMPLE III.

Record of some of the business transactions of William S. Conant, who keeps a grocery store in a country village.

March 1, 1875. — William S. Conant has cash on hand amounting to $3,000. (Cash Dr.)

March 2. — Bought of Marshall Wiley for cash his entire stock of groceries and provisions, for which we have paid him $2,834,16. We have also rented his store, and paid him for rent one month in advance, $11.00. Paid for sundry expenses, $13.84.

March 3. — Sold John F. Fuller on %, 1 bbl. flour, $11.25; 1 bu. meal, 96¢; 4 gals. molasses, @ 75¢. Received for cash sales this day, $14.21. (The money received for sales during the day is placed in the money drawer: at night it is counted, and the whole amount entered on the debit side of cash %. See 131.)

March 4. — Sold John Baldwin on %, 14 lbs. gran. sugar, @ 13¢; 6 lbs. raisins, @ 23¢; 8 lbs. pork, @ 15¢. Sold James Y. Haines on %, ½ bu. apples, @ $1.20; 2 bu. potatoes, @ 63¢. Received cash for sales this day, $9.00.

March 5. — Sold Samuel G. Oakes on %, 1 gal. vinegar, 42¢; 1 bbl. apples, $4.25; 100 lbs. codfish, @ 7¢. Bought of Thomas K. Peavey on %, 21 bu. oats, @ 72¢; 61 lbs. butter, @ 30¢; 62 lbs. dried apple, @ 9¢. Paid him cash on %, $20.00. Received cash for sales this day, $14.00.

March 6. — Sold Mrs. H. M. Demons on %, 1 bbl. flour, $9,75; 18 lbs. lard, @ 14¢; ¼ bu. rye meal, 50¢. Received cash for sales this day, $21.50.

March 8. — Sold John F. Fuller on %, 2 doz. eggs, @ 25¢; 8 lbs. cheese, @ 18¢; 1 box salt, 42¢; 8 lbs. cooking sugar, @ 10¢; 1 lb. tea, $1.75; 2 lbs. soda, @ 8¢. Received for sales this day, $17.00.

March 9. — Sold James Y. Haines on %, 6 lbs. butter, @ 35¢; ½ bush. onions, @ $1.50; 4 cabbages, @ 15¢; 3 lbs. honey, @ 35¢. Received cash this day for sales, $13.50.

March 10. — Sold Mrs. H. M. Demons on %, ¼ bu. beans, $1.00; ¼ bu. peas, 50¢; 1 qt. oysters, 50¢; and she has paid cash to balance her %.

March 11. — Paid cash for insurance, $28.00. Bought of John Baldwin on % 1 pr. boots for self, $9.00, and two pr. for boys, @ $5.25. Sold him ¼ lb. gr. pepper, 12¢; ¼ lb. allspice, 16¢; ¼ cinnamon, 20¢; ¼ cloves, 25¢. Received cash for sales this day, $24.00.

March 12. — Received cash for sales this day, $21.00.

March 13. — Bought of Samuel G. Oakes on % ½ ton hay, $9.00. Sold Thomas K. Peavey on % 1 gal. sirup, $1.12. Received for sales this day, $18.00.

March 15. — Sold John F. Fuller on, % 3 lbs. coffee, @ 46¢; 4 doz. eggs, @ 25¢; 8 lbs. maple sugar, @ 24¢. He has made for us one suit of clothes, and charged us on %, $37.00. Cash for the day's sales, $19.00.

March 16. — Cash received for sales this day, $17.50.

March 17. — Sold James Y. Haines on %, 1 chicken, 4 lbs. @ 20¢; 2 lbs. Turkey prunes, @ 15¢; 2 gals. kerosene oil, @ 40¢; 10 lbs. oatmeal, @ 6¢. Paid cash for freight, $7.95. Cash received for sales this day, $21.00.

March 18. — Sold John Baldwin on %, 30 lbs. lard, @ 18¢; ¼ bu. cracked corn, 37¢; 1 box Smyrna figs, 50¢. Sold Samuel G. Oakes on % 30 lbs. gran. sugar, @ 13¢. Received cash for sales this day, $26.00.

March 19. — Received cash for sales, $29.00.

March 20. — Sold Thomas K. Peavey on %, 10 lbs. rice, @ 10¢; 2 oz. indigo, @ 12¢; ½ lb. borax, 32¢. Sold Mrs. H. M. Demons 1 paper silver gloss starch, 20¢; 1 box yeast powder, 25¢; 1 package sea moss farine, 25¢. Paid cash for school-books for boy, $3.95. Received cash for sales this day, $30.00.

March 23. — Sold James Y. Haines on % 4 lbs. cheese, @ 18¢; 15 lbs. coffee sugar, @ 12¢; 1 lb. cream tartar, 60¢; 1 lb. soda, 10¢. Received cash for sales this day, $19.00.

March 24. — Sold Mrs. H. M. Demons on %, 2 lbs. chocolate, @ 37½¢; 1 lb. cocoa, 37¢. Received cash for sales this day, $23.50.

March 27. — Sold Samuel G. Oakes on %, 1 bu. herds-grass seed, $4.00; 20 lbs. clover seed, @ 15¢; 1 bu. red-top, $5.00; 1 cask Rockland lime, $1.50. Bought of him on % 2 cords dry wood, @ $5.00. Received cash for sales this day, $25.50.

March 29. — Sold John F. Fuller on %, 1 gal. gherkins, 75¢; ¼ lb. nutmegs, 42¢. Received cash for sales this day, $24.00.

March 30. — James Y. Haines has paid cash to balance his %, $12.08. Cash received for sales this day, $28.00.

March 31. — Sold Thomas K. Peavey on %, 1 bbl. crackers, $4.50. Paid for sundry expenses, $19.23. Received cash for sales this day, $18.50.

INDEX TO LEDGER.

NAMES.	PAGES.
Baldwin, John	33
Cash	32
Demons, Mrs. H. M.	34
Fuller, John F.	33
Haines, James Y.	34
Oakes, Samuel G.	35
Peavey, Thomas K.	35

CASH.

1875.			Dr.		Cr.	
Mar.		To amount on hand,	3000			
"	2	By paid Marshall Wiley for stock goods,			2834	16
"		" " rent of store for one month,			11	00
"		" " for sundry expenses,			13	84
	3	To rec'd for cash sales this day,	14	21		
	4	" " " " " "	9	00		
	5	By paid Thomas K. Peavey on %,			20	00
		To rec'd for sales this day,	14			
	6	" " " " " "	21	50		
Mar.	6	By balance, amount on hand,			179	71
			3058	71	3058	71
Mar.	8	To balance from last week,	179	71		
"		" rec'd for sales this day,	17			
"	9	" " " " " "	13	50		
"	10	" " of Mrs. H. M. Demons to bal. %,	14	77		
"	11	By paid for insurance,			28	00
"		To rec'd for sales this day,	24	00		
"	12	" " " " " "	21	00		
"	13	" " " " " "	18	00		
Mar.	13	By balance on hand,			259	98
			287	98	287	98
Mar.	15	To balance from last week,	259	98		
"		" rec'd for sales this day,	19	00		
"	16	" " " " " "	17	50		
"	17	" " " " " "	21			
"		By paid for freight,			7	95
"	18	To rec'd for sales this day,	26			
"	19	" " " " " "	29			
"	20	By paid for school-books,			3	95
"		To rec'd for sales this day,	30			
Mar.	20	By balance on hand,			390	58
			402	48	402	48
Mar.	22	To balance from last week,	390	58		
"	23	" rec'd for sales this day,	19			
"	24	" " " " " "	23	50		
"	27	" " " " " "	25	50		
Mar.	27	By balance on hand,			458	58
			458	58	458	58
Mar.	29	To balance from last week,	458	58		
"		" rec'd for sales this day,	24			
"	30	" " " " " "	28			
"		" rec'd of James Y. Haines to bal. %,	12	08		
"	31	By paid for sundry expenses,			19	23
"		To rec'd for sales this day,	18	50		
Mar.	31	By balance on hand,			521	93
			541	16	541	16
Apr.	1	To balance from last month,	521	93		

JOHN F. FULLER.

1875.				Dr.		Cr.	
Mar.	3	To 1 bbl. flour,	$11.25				
"		" 1 bush. meal,	.96				
"		" 4 gals. molasses @ 75¢,	3.00	15	21		
"	8	" 2 doz. eggs @ 25¢,	.50				
"		" 8 lbs. cheese @ 18¢,	1.44				
"		" 1 box salt,	.42				
"		" 8 lbs. cooking sugar @ 10¢,	.80				
"		" 1 lb. tea,	1.75				
"		" 2 lbs. soda @ 8¢,	.16	5	07		
"	15	" 3 lbs. coffee @ 46¢,	1.38				
"		" 4 doz. eggs @ 25¢,	1.00				
"		" 8 lbs. maple sugar @ 24¢,	1.92	4	30		
"		By 1 suit clothes.				37	
"	29	To 1 gal. gherkins,	.75				
"		" ¼ lb. nutmeg,	.42	1	17		
Mar.	31	To balance,		11	25		
				37		37	
Apr.	1	By balance from last month,				11	25

JOHN BALDWIN.

1875.				Dr.		Cr.	
Mar.	4	To 14 lbs. gran. sugar @ 13¢,	$1.82				
"		" 6 lbs. raisins @ 23¢,	1.38				
"		" 8 lbs. pork @ 15¢,	1.20	4	40		
"	11	By 1 pr. boots (for self),	9.00				
"		" 2 prs. boys' boots @ $5.25,	10.50			19	50
"		To ¼ lb. ground pepper,	.12				
"		" ¼ lb. allspice,	.16				
"		" ¼ lb. cinnamon,	.20				
"		" ¼ lb. cloves,	.25		73		
"	18	" 30 lbs. lard @ 18¢,	5.40				
"		" ½ bush. cracked corn,	.37				
"		" 1 box Smyrna figs,	.50	6	27		
Mar.	31	To balance,		8	10		
				19	50	19	50
Apr.	1	By balance,				8	10

James Y. Haines.

1875.				Dr.		Cr.	
Mar.	4	To ½ bush. apples,	$0.60				
"		" 2 " potatoes @ 63¢,	1.26	1	86		
"	9	" 6 lbs. butter @ 35¢,	2.10				
"		" ½ bush. onions,	.75				
"		" 4 cabbages @ 15¢,	.60				
"		" 3 lbs. honey @ 35¢,	1.05	4	50		
"	17	" 1 chicken, 4 lbs., @ 20¢,	.80				
"		" 2 lbs. Turkey prunes @ 15¢,	.30				
"		" 2 gals. kerosene oil @ 40¢,	.80				
"		" 10 lbs. oatmeal @ 6¢,	.60	2	50		
"	23	" 4 lbs. cheese @ 18¢,	.72				
"		" 15 lbs. coffee sugar @ 12¢,	1.80				
"		" 1 lb. cream tartar,	.60				
"		" 1 lb. soda,	.10	3	22		
"	30	By cash to balance %,				12	08
				12	08	12	08

Mrs. H. M. Demons.

1875.				Dr.		Cr.	
Mar.	6	To 1 bbl. flour,	$9.75				
"		" 18 lbs. lard @ 14¢,	2.52				
"		" ½ bush. rye meal,	.50	12	77		
"	10	" ½ bush. beans,	1.00				
"		" ½ bush. peas,	.50				
"		" 1 qt. oysters,	.50	2			
"		By cash to balance,				14	77
				14	77	14	77
Mar.	20	To 1 paper silver gloss starch,	.20				
"		" 1 box yeast powder,	.25				
"		" 1 box sea moss farine,	.25		70		
"	24	" 2 lbs. chocolate @ 37½¢,	.75				
"		" 1 lb. cocoa,	.37	1	12		
[illegible]	[illegible]	[illegible]				[illegible]	[illegible]
				1	82	1	82
Apr.	1	To balance,		1	82		

Samuel G. Oakes.

1875.				Dr.		Cr.	
Mar.	5	To 1 gal. vinegar,	$0.42				
"		" 1 bbl. apples,	4.25				
"		" 100 lbs. codfish @ 7¢,	7.00	11	67		
"	13	By ½ ton hay,				9	00
"	18	To 30 lbs. gran. sugar @ 13¢,		3	90		
"	27	" 1 bush. herdsgrass seed,	4.00				
"		" 20 lbs. clover seed @ 15¢,	3.00				
"		" 1 bush. redtop,	5.00				
"		" 1 cask Rockland lime,	1.50	13	50		
"		By 2 cords dry wood @ $5.00,				10	
Mar.	31	By balance,				10	07
				29	07	29	07
Apr.	1	To balance,		10	07		

Thomas K. Peavey.

1875.				Dr.		Cr.	
Mar.	5	By 21 bush. oats @ 72¢,	$15.12				
		" 61 lbs. butter @ 30¢,	18.30				
		" 62 lbs. dried apple @ 9¢,	5.58			39	
		To cash on %,		20			
	13	To 1 gal. sirup,		1	12		
	20	To 10 lbs. rice @ 10¢,	1.00				
		" 2 oz. indigo @ 12¢,	.24				
		" ½ lb. borax,	.32	1	56		
	31	" 1 bbl. crackers,		4	50		
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]		
				39		39	
Apr.	1	By balance,				11	82

EXAMPLE IV.

Record of some of the business transactions, for the month of March, 1875, of Augustus Robbins, retail dealer in dry goods.

March 1. — Cash on hand this day, $4,000.00. Bought of Arnold, Deane, & Co., a stock of goods for which we have paid them cash, $3,257.37; and we have paid Anson Davis rent of his store for one month in advance $15.00.

March 2. — Paid sundry expenses, $25.84.

March 3. — Sold David Haskell on %, 18 yds. black alpaca, @ 75¢; 3 yds. cambric, @ 12¢; 6 spools machine cotton, @ 8¢; 12 yds. Lancaster gingham, @ 15¢. Sold George Stevens on %, 7 yds. striped shirting, @ 20¢. Sold William Jones on %, 2 fine dress shirts, @ $2.75.

March 4. — Sold Andrew Bailey 14 yds. sheeting at 14¢, on %.

March 4. — Sold Stephen Wilson on %, 1 doz. linen handkerchiefs, $3.00; 1 pr. gloves, $1.75; 2 prs. woollen hose, @ 50¢. Received cash for sales this day, $9.50.

March 5. — Received cash for sales, $12.00.

March 6. — Bought of George Stevens on %, 2 cords dry wood, @ $5.00. Sold him on %, 7 yds. cassimere, @ $2.00; trimmings for pants and coat, $3.00. Sold William Jones on %, 1 box paper collars, 30¢. Received cash for sales this day, $15.75.

March 8. — Sold David Haskell on %, 2¼ yds. table linen, @ $2.00; 1 yd. Irish linen, 80¢. Sold Erastus Brown on %, 4 wool carriage robes, @ $9.50. Paid cash for freight, $4.75. Received cash for sales this day, $10.70.

March 9. — Hired horse and sleigh of Erastus Brown to go to Westerly, for which he has charged us on %, $2.50. Sold Andrew Bailey on %, 1 cardigan jacket, $2.50; 1 cloth cap, $1.25. Sold Jacob Kelley on %, 14 yds. Cocheco print, @ 12¢; 11 yds. bed-ticking, @ 23¢; 1 doz. agate buttons, 3¢; 1 doz. agate buttons, 8¢. Paid cash for bill of goods, $500.00. Received cash for sales this day, $13.50.

March 10. — Andrew Bailey has repaired show-case for us, and charged us on %, $3.75. Cash received for sales, $19.00.

March 11. — Sold Stephen Wilson on %, 3 yds. drilling, @ 12¢; 3 yds. satinet, @ $1.12; 6½ yds. striped shirting, @ 20¢; 1 pr. suspenders, 50¢. Sold William Jones on %, 1 set sleeve-buttons, 75¢. Cash received for sales this day, $17.50.

March 12. — Sold David Haskell on %, 30 yds. bleached sheeting, @ 15¢; 20 yds. Merrimack print, @ 12¢; 7 yds. navy blue waterproof cloth, @ $1.75. Andrew Bailey has repaired shelves for us, and charged us on % $3.00. Cash received for sales this day, $21.00.

March 13. — Received cash for sales this day, $25.00.

March 15. — Sold Erastus Brown (per wife) on %, 14 yds. cashmere, @ $1.37; 5 yds. cambric, @ 12¢; 1 doz. buttons, 62¢; 1 spool silk, 25¢; 4 yds. ruching, @ 40¢; 6 yds. Hamburg edging, @ 25¢. He has paid cash on %, $25.00.

March 16. — Credited David Haskell for drayage, $5.50. Received cash for sales this day, $9.75.

March 17. — Cash received for sales this day, $11.00.

March 18. — Sold William Jones on %, 3 neckties, @ 62¢. Paid cash for bill of goods, $200.00. Received cash for sales this day, $15.00.

March 19. — Received cash for sales this day, $17.50.

March 20. — Hired horse of Erastus Brown, for which he charges us on %, $3.00. Bought of Andrew Bailey on % 3 chairs for store, @ $1.50. Sold William Jones on %, 1 tooth-brush, 40¢; 1 hair-brush, 62¢; 3 cakes honey soap, @ 15¢; 1 doz. linen handkerchiefs, $3.00. Credited David Haskell for drayage, $4.75. Cash received for sales this day, $30.00.

March 22. — Cash received for sales this day, $8.00.

March 23. — Sold George Stevens on %, 12 yds. tycoon rep, @ 25¢; 23 yds. alpaca braid, @ 8¢. Received cash for sales this day, $13.00.

March 24. — Paid cash for sundry expenses, $17.65. Received cash for sales this day, $12.50.

March 25. — Sold Andrew Bailey on % 4 yds. wool carpeting, @ $1.75. Sold George Stevens on %, 2 wool blankets, @ $3.50; 1 Lancaster bedquilt, $2.00; 7 rolls wall-paper, @ 20¢; 6 curtain tassels, @ 16⅔¢; 6 yds. curtain cord, @ 3¢; 6 yds. bleached sheeting, @ 20¢. He has paid cash on %, $12.00. Received cash for sales this day, $16.50.

March 27. — Received of Erastus Brown on %, $10.00. Received for sales this day, $29.50.

March 29. — Paid for bill of goods, $200.00. Sold Jacob Kelley on %, 7 yds. denim, @ 20¢; 12 yds. crash, @ 18¢; 1 umbrella, $1.25. Received cash for sales this day, $9.00.

March 30. — Received cash for sales this day, $11.50. Credited David Haskell for drayage, $2.00.

March 31. — Received for sales this day, $12.88.

If these transactions are correctly written out according to the foregoing form, there will be $166.47 of cash on hand. There will also be a red ink balance on the Cr. side of all the other accounts, as follows: —

David Haskell	$28.34
George Stevens	14.02
William Jones	12.88
Stephen Wilson	11.27
Andrew Bailey	1.46
Erastus Brown	21.25
Jacob Kelley	9.13

THIRD FORM.

95. How many books are used in the third form?

Three, — day-book, ledger, and cash-book.

96. What is a day-book?

A day-book is the book of original entry, in which business transactions are recorded at the time, in the order, and under the date, of their occurrence.

97. How should a day-book be ruled?

Like the ledger of the first form.

98. What should be written on the first horizontal line?

The name of town, State, month, day, year. The name of the State may be omitted after the first page.

99. What should be written in the first column?

The date, when it changes.

100. What should be written in the second column?

The page of the ledger to which the transaction is posted.

101. When should these page marks be entered?

Immediately after the transaction is posted.

102. Why?

To show that it is posted.

103. With what kind of ink should the page mark be entered?

Red or black; in actual business, usually black.

104. What should be written in the third column?

The record of the transaction.

105. What in the fourth column?

Dollars.

106. What in the fifth column?

Cents.

107. How should the transactions be separated?

By a single line across the third column.

108. What transactions should be recorded in the day-book of this form?

When goods are bought or sold on %, when cash is paid or received on %, and when a note is issued or received on %.

109. What kind of ink should be used in the day-book?

All black, except in the second column.

EXAMPLE V.

Record of part of the business transactions of A. M. True, a retail dealer in books and stationery.

April 5, 1875. — Cash on hand this day, $134.16. Sold Henry J. Turner on %, Appleton's New Cyclopædia, 16 vols., @ $5.00; Addison's Complete Works, $6.00. Paid cash for drayage, $2.50.

April 6. — Sold John M. Flanders on %, 1 geometry, $1.25; 1 grammar, $1.00; 2 spellers, @ 35¢; 4 writing-books, @ 14¢. Received cash for sales this day, $12.00.

April 7. — Paid cash for fixing pump, $3.75. Bought of Richard S. Wood on %, 1 ton hay, $17.00; ½ ton straw, $5.00. Received cash for sales this day, $15.00. Bought of John M. Flanders on %, 4 bushels potatoes, @ 50¢; ½ bushel beans, @ $3.00; 6 lbs. butter, @ 30¢.

April 8. — Sold Solomon Gilman on %, 1 Webster's Dictionary, $12.00. Henry J. Turner has paid us cash on %, $50.00. Paid gas-bill in cash, $13.21. Received cash for sales this day, $18.00.

April 9. — Paid peddler for bill of stationery, $17.09. Sold John M. Flanders on %, 1 quire paper, 20¢; 100 envelopes, 40¢; 2 pencils, @ 5¢. Received cash for sales this day, $11.50.

April 10. — Sold Samuel W. McCall on %, 1 Latin Lexicon,

$5.00; 1 Greek Lexicon, $5.00; 1 Virgil, $2.25; 1 Anabasis, $1.37. Received cash for sales this day, $21.75. Received cash for use of horse and carriage, $2.50.

The transactions of the remainder of the month will be sufficiently well understood by referring to the several books without extending this record any further.

The objection is sometimes made, that book-keepers seldom use red ink in actual business. But it should be remembered that the design of a text-book is to assist the learner in acquiring knowledge, and to aid the teacher in imparting it. No teacher will have any doubt in regard to the advantage of having red ink in a treatise on book-keeping. In the counting-room, where it is presumed that the book-keeper understands thoroughly the theory of accounts, red ink is frequently dispensed with.

DAY-BOOK.

New Hampton, N.H., April 5, 1875.

		HENRY J. TURNER, *Dr.*		
	49	To Appleton's Cyclop., 16 vols. @ $5.00,	$80.00	
		" Addison's Works,	6.00	86 00
6		JOHN M. FLANDERS, *Dr.*		
		To 1 geometry,	$1.25	
		" 1 grammar,	1.00	
	49	" 2 spellers @ 35¢,	.70	
		" 4 writing-books @ 14¢,	.56	3 51
7		RICHARD S. WOOD, *Cr.*		
		By 1 ton hay,	$17.00	
	49	" ½ ton straw,	5.00	22 00
		JOHN M. FLANDERS, *Cr.*		
		By 4 bushels potatoes @ 50¢,	$2.00	
		" ½ bushel beans @ $3.00,	1.50	
	49	" 6 lbs. butter @ 30¢,	1.80	5 30
8		SOLOMON GILMAN, *Dr.*		
	49	To 1 Webster's Dictionary,		12 00
		HENRY J. TURNER, *Cr.*		
	49	By cash on %,		50 00
9		JOHN M. FLANDERS, *Dr.*		
		To 1 quire paper,	$0.20	
		" 100 envelopes,	.40	
	49	" 2 pencils @ 5¢,	.10	70
10		SAMUEL W. MCCALL, *Dr.*		
		To 1 Latin lexicon,	$5.00	
		" 1 Greek lexicon,	5.00	
		" 1 Virgil,	2.25	
	50	" 1 Anabasis,	1.37	13 62
		Amount forward,		193 13

New Hampton, April 12, 1875.

		Amount brought forward,		193	13
		RICHARD S. WOOD,	*Dr.*		
		To 1 higher arithmetic,	$1.50		
	40	" 1 practical arithmetic,	$1.25		
		" 1 book-keeping,	3.25		
		" 1 set blanks,	1.40	7	40
13		JOHN M. FLANDERS,	*Dr.*		
	40	To 9 rolls room-paper @ 40¢,		3	60
		RICHARD S. WOOD,	*Dr.*		
	40	To Dickens's Bleak House, 2 vols.,		3	00
14		HENRY J. TURNER,	*Cr.*		
	40	By cash to balance %,		36	00
15		SOLOMON GILMAN,	*Dr.*		
	40	To 1 blank-book,			30
		JOHN M. FLANDERS,	*Cr.*		
	40	By 1 cord maple wood,		5	00
16		SAMUEL W. MCCALL,	*Cr.*		
	50	By cash to bal. %,		13	62
17		RICHARD S. WOOD,	*Dr.*		
	40	To 1 arithmetic,	$1.25		
		" 1 slate,	.31	1	56
19		JOHN M. FLANDERS,	*Dr.*		
	40	To 19 yds. border @ 5¢,	.95		
		" 1 blank-book,	.19	1	14
20		SAMUEL W. MCCALL,	*Dr.*		
	50	To 4 quires paper @ 15¢,	$0.60		
		" 1 Roget's Thesaurus,	2.00	2	60
		Amount forward,		267	35

New Hampton, April 21, 1875.

		Amount brought forward,		267	35
	40	SOLOMON GILMAN,	*Cr.*		
		By cash on %,		10	00
22	40	JOHN M. FLANDERS,	*Cr.*		
		By 2 cords pine wood @ $3.00,		6	00
	50	JACKSON PEAVEY,	*Cr.*		
		By shoeing horse,		1	75
24	50	SAMUEL W. MCCALL,	*Dr.*		
		To 1 Bowen's Logic,		2	00
	50	JACKSON PEAVEY,	*Dr.*		
		To 10 rolls paper @ 25¢,		2	50
26	40	JOHN M. FLANDERS,	*Dr.*		
		To 1 nat. philosophy,		1	20
28	40	SOLOMON GILMAN,	*Cr.*		
		By cash to bal. %,		2	30
	40	RICHARD S. WOOD,	*Dr.*		
		To cash to bal. %,		10	04
29		SAMUEL W. MCCALL,	*Dr.*		
	50	To 1 Shakspeare,		4	25
		CONTRA,	*Cr.*		
		By cash to balance %,		8	85
		Total footing,		316	24

CASH-BOOK.

110. What is the second book in the third form of accounts?

The cash-book.

111. What is a cash-book?

A book in which the proprietor keeps an account of money received, and money paid out.

112. How is the cash-book ruled?

Like the ledger of the second form.

113. How many pages are used?

Two.

114. What is written on the first horizontal line of the left-hand page?

Cash (received) and Dr.

115. What in the first column?

The year and month as in a ledger.

116. What in the second column?

The day of the month.

117. What in the third?

Record of transactions producing debit entries.

118. What in the fourth and fifth columns?

Money received.

119. What in the sixth and seventh columns?

Balances, full extensions, and footings.

120. What are balances?

Amounts on hand brought down from the opposite side.

121. What are full extensions?

Footings of the first set of money columns, representing the amount of money received.

122. What are footings?

The sum of the balances and full extentions.

123. What should be written on the first horizontal line of the right-hand page?

Cash (Paid) and Cr.

124. What in the first column?

Year and month.

125. What in the second column?

Day of the month.

126. What in the third column?

Record of transactions producing credit entries.

127. What in the fourth and fifth columns?

Amounts of money *paid out*.

128. What in the sixth and seventh columns?

Full extensions, red ink balances, and footings.

129. How should the cash-book be balanced?

As the cash account was balanced in the ledger of the first form.

130. How often should the cash-book be balanced?

Once a day, once a week, or once a month. Usually the petty cash-book is balanced every night, and the main cash-book once a week, or once a month.

131. What is a petty cash-book?

In retail business, where many articles are bought and sold for cash, it is customary to enter the several amounts in a small book called a petty cash-book. This is balanced at the close of the day's business; the items are condensed and entered in the general cash-book; and the money in the drawer is counted, and should agree with the balance of the petty cash-book. If payments are made from the *counted* money, the entry should be made in the general cash-book *only*.

CASH (Received). *Dr.*

1875.							
Apr.	5	To amount on hand,	134	16		
"	6	" cash sales this day,	12	00		
"	7	" " " " "	15	00		
"	8	" rec'd of Henry J. Turner on %,	50	00		
"		" " for sales this day,	18	00		
"	9	" " " " " "	11	50		
"	10	" " " horse and carriage,	2	50		
"		" " " sales this day,	21	75	264	91
					264	91
Apr.	12	To balance from last week,			228	36
"		" rec'd for sales this day,	13	50		
"	13	" " " " " "	18	00		
"	14	" " of Henry Turner to bal. %,	36	00		
"		" " for sales this day,	7	00		
"	15	" " " " " "	19	50		
"	16	" " of S. W. McCall to bal. %,	13	62		
"		" " for sales this day,	14	50		
"	17	" " " " " "	27	10	149	22
					377	58
Apr.	19	To balance from last week,			195	01
"		" rec'd for sales this day,	14	00		
"	20	" " " " " "	13	00		
"	21	" " of Solomon Gilman on %,	10	00		
"		" " for sales this day,	17	50		
"	22	" " " " " "	7	25		
"	23	" " " " " "	11	75		
"	24	" " " " " "	28	50	102	00
					297	01
Apr.	26	To balance from last week,			260	90
"		" rec'd for sales this day,	18	75		
"	27	" " " " " "	17	00		
"	28	" " of Solomon Gilman to bal. %,	2	30		
"		" " for sales this day,	14	00		
"	29	" " " " " "	19	00		
"		" " of S. W. McCall to bal. %,	8	85		
"	30	" " for sales this day,	28	00	107	90
					368	80
May	1	To balance from last month,			317	76

CASH (Paid). *Cr.*

1875.						
Apr.	5	By paid for drayage,	2	50		
"	7	" " " fixing pump,	3	75		
"	8	" " gas bill,	13	21		
"	9	" " for stationery,	17	09	36	55
Apr.	10	By amount on hand,			228	36
					264	91
Apr.	13	By paid for repairing store,	6	33		
"	15	" " " bill of goods of Desser & Ayer,	176	24	182	57
Apr.	17	By amount on hand,			195	01
					377	58
Apr.	20	By paid for painting,	9	00		
"	23	" " " printing circulars,	10	00		
"		" " " papering chambers,	4	75		
		" " " meat bill,	12	36	36	11
Apr.	24	By balance on hand,			260	90
					297	01
Apr.	26	By paid insurance,	14	00		
"	28	" " Richard S. Wood to bal. %,	10	04		
"	29	" " clerk hire,	27	00	51	04
Apr.	30	By balance on hand,			317	76
					368	80

LEDGER.

132. What is a ledger? (See 12.)

133. What is the difference between a ledger of the first or second forms, and a ledger of the third form?

In the first and second forms the transactions are entered *only* in the ledger. In the third form they are entered in the day-book first, and then the results are carried to the ledger.

134. In the third form, how many pages are used for an account?

One.

135. How is the debit side separated from the credit?

By a double blue vertical line in the centre.

136. What is written on the first horizontal line?

Dr., the name of the account, and Cr.

137. Where should each be written?

Dr. over the debit date columns, Cr. over the credit money columns, and the name in the centre of the page.

138. What should be written in the first column?

The year and month, taken from the heading, or the first column of the day-book.

139. What should be written in the second column?

Day.

140. What in the third column?

"To" the article when there is but one; "To" sundries when there are several articles.

141. What in the fourth column?

The page of the day-book where the record of the transaction may be found.

142. What in the fifth and sixth columns?

The debit amounts.

143. What change is made in the credit side?

"By" takes the place of "To" in the third column, and the credit amounts are placed in the money columns.

144. What % should be placed first in the ledger?

The first account in the day-book, and so on in their order. In actual business only one account should be placed on a page.

Dr. HENRY J. TURNER. *Cr.*

1875.					1875.				
Apr. 5	To sundries,	41	86		Apr. 8	By cash,	41	50	
					" 14	" " to bal.	42	36	
			86					86	

Dr. JOHN M. FLANDERS. *Cr.*

1875.					1875.				
Apr. 6	To sundries,	41	3	51	Apr. 7	By sundries,	41	5	30
" 9	" "	41		70	" 15	" 1 cord wood,	42	5	00
" 13	" paper,	42	3	60	" 22	" 2 cords wood,	43	6	00
" 19	" sundries,	42	1	14					
" 26	" philosophy,	43	1	20					
			16	30				16	30
					May 1	By balance,		6	15

Dr. RICHARD S. WOOD. *Cr.*

1875.					1875.				
Apr. 12	To sundries,	42	7	40	Apr. 7	By sundries,	41	22	
" 13	" Bleak House,	42	3	00					
" 17	" sundries,	42	1	56					
" 28	" cash to bal.,	43	10	04					
			22	00				22	00

Dr. SOLOMON GILMAN. *Cr*

1875.					1875.				
Apr. 8	To dictionary,	41	12	00	Apr. 21	By cash,	43	10	00
" 15	" blank book,	42		30	" 28	" cash to bal.,	43	2	30
			12	30				12	30

Dr. SAMUEL W. McCALL. *Cr.*

1875.					1875.				
Apr. 10	To sundries,	41	13	62	Apr. 16	By cash to bal.	42	13	62
Apr. 20	To sundries,	42	2	60	Apr. 29	By cash, to bal.	43	8	85
" 24	" Bowen's Logic,	43	2	00					
" 29	" Shakspeare,	43	4	25					
			8	85				8	85

Dr. JACKSON PEAVEY. *Cr.*

1875.					1875.				
Apr. 24	To 10 rolls paper,	43	2	50	Apr. 22	By shoeing horse,	43	1	75
					Apr. 30	By balance,			75
			2	50				2	50
May 1	To balance,			75					

As one form of index has been inserted in the first form, and another in the second form, we omit the index in this form.

PROOF OF THE POSTING.

DR.		CR.
$86.00	Henry J. Turner	$86.00
10.15	John M. Flanders	16.30
22.00	Richard S. Wood	22.00
12.30	Solomon Gilman	12.30
13.62	Samuel W. McCall	13.62
8.85	Samuel W. McCall	8.85
2.50	Jackson Peavey	1.75
$155.42		$160.82

$155.42 Total debits.
160.82 Total credits.

$316.24 Total debits and credits equal the total footing of the daybook.

145. What is the proof of the posting?

The sum of the debit and credit footings of the several ledger accounts will equal the total footings of the money columns of the day-book, if the posting is correct.

146. Why?

Because all the debit amounts from the day-book are carried to the debit side of the ledger, and all the credit amounts to the credit side of the ledger; hence the sum of the footings of the debit and credit sides of the accounts must equal the footing of the day-book. If this sum should be less than the footing of the day-book, it will indicate that something has been omitted in posting. If it should be more, it will indicate that some item has been posted twice, or that some other mistake has been made. In either of these cases the work should be reviewed until the results correspond.

147. When should the proof-sheet be made?

As soon as the posting of the month's work is finished, before any red ink entries are made in the ledger.

148. Why is Samuel W. McCall's name entered twice in the proof-sheet?

Because his % was balanced April 16, and opened again; hence both sets of footings must be entered in the proof-sheet in order to agree with the footing of the day-book.

As the opening and closing of a set of books are the most difficult parts of book-keeping, it is thought best that the learner should close the ledger at the end of each month. But in actual business this is seldom done. Every prudent business man will, however, close his books at least twice a year.

EXAMPLE VI.

A record of part of the business transactions of James Elwell, maker of, and dealer in boots and shoes, for the month of April, 1875.

April 5, 1875. — Amount of cash on hand, $187.62. Bought of Muzzy, Whitehouse, & Co., for cash, 40 lbs. sole-leather, @ 45¢. Sold Fred Williams on %, 1 pr. calf boots, $8.00; 1 pr. carpet slippers, $1.75; 1 pr. arctics, $2.50. Cash received for sales this day, $12.00.

April 6. — Paid J. Jackson & Co., cash for bill of goods, $97.00. Sold Sewell Titus on %, 2 pr. boy's boots, @ $5.00. Sold George Pease on %, 1 pr. ladies' glove-kid boots, $4.75; and 1 pr. kid slippers, $1.75. Received cash for sales, $10.75.

April 7. — Bought of Fred Williams on %, 1 bottle Vinegar Bitters, $1.00; 4 bars soap, @ 15¢. Cash received for sales, $15.00.

April 8. — Sold Francis G. Fowler on %, 1 pr. rubber boots, $4.00; 1 pr. children's boots, $2.25. Mended boots for Willard Sprowl, and charged him on %, $1.37. Paid cash for freight, $3.50. Received cash for sales this day, $17.00.

April 9. — Mended boots for Sewell Titus, and charged him on %, 25¢. Bought of him on %, 30 lbs. butter, @ 35¢; 6 doz. eggs, @ 20¢. Received cash for sales this day, $13.50.

April 10. — Sold Samuel T. Bennett on %, 1 pr. men's boots, $6.00; 2 pr. boy's boots, @ 5.00; 2 pr. ladies' serge boots, @ $2.75; 3 pr. children's serge boots, @ $1.75. Mended boots for George Pease, and charged him on %, 45¢. Paid cash for bill goods, $59.67. Received cash for sales this day, $25.00.

April 12. — Bought of Joseph Hanson on %, 1 bbl. flour, $10.75. Paid Mrs. O'Brian cash for cleaning store, $3.75. Received cash for sales, $11.50.

April 13. — Bought of Fred Williams on %, 3 bottles porter, @ 50¢; 1 bottle ink, 10¢. Sold Sewell Titus on % 1 pr. brogans, $2.00. Sold Francis G. Fowler on % 1 pr. ladies' serge slippers, $1.00. Mended shoes for Willard Sprowl, and charged him on %, 20¢. George Pease has paid cash on %, $5.00. Cash received for sales this day, $15.75.

April 14. — Cash received for sales this day, $18.50.

April 15. — Cash received for sales this day, $23.00.

April 16. — Sold Joseph Hanson on %, 1 pr. rubbers, 87¢; 1 pr. ladies' bronze kid boots, $9.00; 1 pr. children's slippers, $1.25; 1 pr. infant's shoes, $1.00. Bought of Sewell Titus on %, 1 bu. potatoes, 62¢; 4 lbs. veal, @ 15¢. Sold Fred Williams on % 1 pr. rubbers, $1.00. Paid cash for stock, $56.40. Received cash for sales this day, $20.75.

April 17. — Sold Willard Sprowl on %, 1 pr. children's copper-toed shoes, $1.25; 1 pr. boy's boots, $4.75; 1 pr. ladies' congress boots, $2.00; 1 pr. brogans, $2.00. Francis G. Fowler has paid cash to balance his %, $7.25. Received cash for sales, $29.75.

April 19. — Sold George Pease on %, 1 pr. kip boots, $7.25. Sold Samuel T. Bennett on %, 3 pr. children's rubbers, @ 62¢; 1 pr. ladies' rubbers, @ 75¢. Paid cash for sawing wood, $3.25. Received cash for sales this day, $14.75.

April 20. — Sold Fred Williams on %, 1 pr. congress gaiters, $3.25. Sold Sewell Titus on %, 2 pr. boy's calf boots, @ $7.00. Bought of him 2 chickens, 8 lbs., @ 20¢. Sold Francis G. Fowler on %, 1 pr. children's bronze kid boots, $2.75. Paid cash for sundries, $2.91. Received cash for sales this day, $17.50.

April 21. — Received cash for sales this day, $21.50.

April 22. — Bought of Joseph Hanson on %, 30 lbs. gran. sugar, @ 14¢; 5 lbs. coffee, @ 42¢. Sold Samuel T. Bennett on %, 1 shawl-strap, 62¢. Willard Sprowl has paid cash on %, $5.00. Received for cash sales this day, $25.75.

April 23. — Bought of Fred Williams on %, ¼ ream paper, 50¢. Sold Francis G. Fowler on %, 1 pr. children's rubbers, 62¢. Received of Samuel T. Bennett cash on %, $20.00. Received for cash sales this day, $19.25.

April 24. — Sold Joseph Hanson on %, 1 pr. calf boots, $8.00. Sold George Pease 1 pr. cloth gaiters, $3.25. Paid cash for stock, $19.31. Sewell Titus has paid cash on %, $10. Received cash for sales this day, $27.00.

April 26. — Soled 1 pr. slippers for Fred Williams, and charged him on %, $1.50. Paid cash for horse-hire, $3.25. Received for cash sales this day, $16.50.

April 27. — Bought of Sewell Titus on %, ¼ bu. beets, 33¢; ¼ bu. beans, $1.00; 2 doz. eggs, @ 20¢. Sold Joseph Hanson

on %, 1 pr. ladies' serge boots, $3.25. Received cash for sales this day, $19.00.

April 28. — Received cash for sales this day, $21.00.

April 29. — Fred Williams paid cash on %, $10.00. Mended shoes for Francis G. Fowler, and charged him on %, 37¢. Received cash for sales, $23.75.

April 30. — Bought of Joseph Hanson on %, 20 lbs. lard, @ 15¢; ¼ box raisins, $1.25; 1 lb. tea, $1.25. Willard Sprowl has paid cash to balance %, $6.57. Paid clerk's salary, $30.00. Received cash for sales this day, $15.75.

PROOF-SHEET.

Dr.		Cr.
$18.00	Fred Williams	$13.70
26.25	Sewell Titus	26.25
17.45	George Pease	5.00
7.25	Francis G. Fowler	7.25
3.74	Francis G. Fowler	0.00
11.57	Willard Sprowl	11.57
29.98	Samuel T. Bennett	20.00
23.37	Joseph Hanson	22.55
$137.61		$106.32

$137.61 Total debits.
106.32 Total credits.
$243.93 Equal the footing of day-book.

Cash on hand May 1. $388.65.

FOURTH FORM.

149. What is meant by partnership business?

When two or more persons unite their property and interest in the prosecution of a certain kind of business, to be carried on under a firm name, on joint account and risk.

150. With what should each partner be credited?

With his investment, and his part of the net gain.

151. With what should each partner be debited?

With all debts assumed by the firm for him, with all money or other species of property withdrawn from the firm, and with his part of the net loss.

152. When should the net loss or gain be carried to the partner's account?

When the books are closed.

153. How often should the books be closed?

This depends upon the nature of the business. Sometimes the books are closed once a month, sometimes once in six months, sometimes only once a year.

154. How many books are employed in this form?

The same number as in the last, — day-book, cash-book, and ledger.

In the following example, James L. Davis and J. O. Hancock form a partnership under the firm name of "Davis & Hancock," for the purpose of engaging in the retail business in a variety store in a large village.

James L. Davis invests $3,000 cash, and his store and fixtures valued at $6,000. J. O. Hancock invests his stock of goods at 90 per cent on the first cost, $7,334, and cash enough to equal the investment of the other partner, $1,666. Each partner is now credited with his investment in the day-book, and the cash invested by each is entered on the debit side of the cash-book. The remainder of the transactions can probably be understood by referring to the several books without the record of transactions.

EXAMPLE VII.

New Hampton, N.H., May 3, 1875.

		JAMES L. DAVIS,	*Cr.*		
		By cash invested,	$3,000		
		" store and fixtures invested,	6,000	9,000	00
		J. O. HANCOCK,	*Cr.*		
		By mdse. invested	$7,334		
		" cash "	1,666	9,000	00
4		HENRY H. SAWTELLE,	*Dr.*		
		To 1 bbl. flour,	$9.75		
		" 8 bush. meal @ 90¢,	7.20		
		" 1 bbl. gran. sugar (190 lbs.) @ 11¢,	20.90	37	85
5		BENJ. B. WEBB,	*Dr.*		
		To 16 yds. Merrimac print @ 12½¢,	$2.00		
		" 12 " Amoskeag " @ 10¢,	1.20		
		" 19 " Lancaster gingham @ 14¢,	2.66		
		" 33 " Lawrence 4-4 sheeting @ 14¢,	4.62		
		" 11 " cotton flannel @ 18¢,	1.98	12	46
		GEORGE W. HOWE,	*Dr.*		
		To 1 bbl. super-phosphate lime,	$2.75		
		" 28 gals. molasses @ 62¢,	17.36		
		" 10 papers garden-seeds @ 4¢,	.40		
		" 1 shovel,	1.25	21	76
6		LIVINGSTON MUZZY,	*Dr.*		
		To 4 bush. potatoes @ 60¢,	$2.40		
		" 1 bbl. flour (St. Louis),	12.25		
		" 1 bush. meal,	.90		
		" 18 lbs. gran. sugar @ 12¢,	2.16		
		" 14 " cooking sugar @ 10¢,	1.40		
		" 3 " Java coffee @ 42¢,	1.26		
		" 1 lb. tea,	1.20		
		" 14 lbs. codfish @ 8¢,	1.12	22	69
8		MOSES T. WOODWARD,	*Dr.*		
		To 10 bbls. flour @ $9.00,	$90.00		
		" 20 bush. corn @ 75¢,	15.00		
		" 20 bush. meal @ 82¢,	16.40	121	40
		(To be paid in 10 days.)			
				18,216	16

New Hampton, May 10, 1875.

		Amount forward,		18,216	16
		HENRY H. SAWTELLE,	*Dr.*		
		To 1 bbl. pork,	$21.00		
		" 100 lbs. lard @ 13¢,	13.00		
		" 4 gals. boiled oil @ $1.10,	4.40		
		" 100 lbs. Salem lead @ 13¢,	13.00		
		" 1 paint-brush,	.75	52	15
		JAMES L. DAVIS,	*Dr.*		
		To cash on private %,		16	00
		GEORGE W. HOWE,	*Dr.*		
		To 3 bush. salt @ 70¢,	$2.10		
		" 30 lbs. clover-seed @ 15¢,	4.50		
		" 3 bush. timothy seed @ $4.00,	12.00	18	60
12		HENRY H. SAWTELLE,	*Cr.*		
		By cash on %,		60	00
		J. O. HANCOCK,	*Dr.*		
		To 1 bbl. flour,	$11.75		
		" 4 doz. eggs @ 20¢,	.80		
		" cash,	13.50	26	05
14		BENJ. B. WEBB,	*Dr.*		
		To 1 gal. kerosene oil,	.30		
		" 1 box raisins,	3.50		
		" 2 gals. sirup @ $1.12,	2.24	6	04
15		GEO. W. HOWE,	*Dr.*		
		To 1 cask plaster Paris,		3	60
		BENJ. B. WEBB,	*Cr.*		
		By cash on %,		10	00
		JAMES L. DAVIS,	*Dr.*		
		To paid taxes for him,		28	00
				18,436	60

New Hampton, May 17, 1875.

		Amount forward,		18,436	60
		GEO. W. HOWE,	*Dr.*		
		To 3 yds. doeskin @ $2.00,	$6.00		
	63	" 2 lbs. soda @ 8¢,	.16	6	16
18		MOSES T. WOODWARD,	*Cr.*		
	61	By cash on %,		121	40
19		GEO. W. HOWE,	*Cr.*		
	63	By cash on %,		40	00
21		LIVINGSTON MUZZY,	*Dr.*		
		To 8 yds. crash @ 20¢,	$1.60		
		" 1 table-cover,	4.20	5	80
	64	CONTRA,	*Cr.*		
		By cash on %,		20	00
24		MOSES T. WOODWARD,	*Dr.*		
		To 1 bbl. pork,	$21.00		
	64	" 40 gals. molasses @ 62¢,	24.80	45	80
		GEO. W. HOWE,	*Cr.*		
	63	By cash to balance %,		10	12
		J. O. HANCOCK,	*Dr.*		
	63	To cash,		15	00
26		MOSES T. WOODWARD,	*Dr.*		
		To 4 gals. linseed oil @ $1.00,	$4.00		
	64	" 25 lbs. Salem lead @ 13¢,	3.25	7	25
28		HENRY H. SAWTELLE,	*Dr.*		
		To 50 lbs dried apple @ 12¢,	$6.00		
		" 1 clothes-line,	.42	6	42
	62	CONTRA,	*Cr.*		
		By cash on %,		8	00
29		MOSES T. WOODWARD,	*Dr.*		
	64	To 4 casks Rockland lime @ $1.50,		6	00
		Total footing before the gain is credited to the partners,		18,728	55

New Hampton, May 31, 1875.

		Amount forward,		18,728	55
31		JAMES L. DAVIS,	*Cr.*		
	63	By one-half net gain for the month,		204	31
		J. O. HANCOCK,	*Cr.*		
	63	By one-half net gain for the month,		204	31
		Total footing after gain is entered,		19,137	17

CASH (Received). *Dr.*

1875.						
May	3	To James L. Davis's investment,	3,000			
"		" J. O. Hancock's "	1,666			
"	4	" cash sales this day,	16			
"	5	" " " " "	28			
"	6	" rec'd for old iron sold,	14	28		
"		" " " sales this day,	33	00		
"	7	" " " " " "	28	50		
"	8	" " " " " "	39	00	4,824	78
					4,824	78
May	10	To balance from last week,			608	11
"		" rec'd for sales this day,	31	00		
"	11	" " " " " "	27	00		
"	12	" " of H. H. Sawtelle on %,	60	00		
"		" " for sales this day,	29	00		
"	13	" " " " " "	32	00		
"	14	" " " " "	41	00		
"	15	" " of B.B. Webb on %,	10	00		
"		" " for sales,	34	00	264	00
					872	11
May	17	To balance from last week,			775	86
"		" sales this day,	28	00		
"	18	" rec'd of M. T. Woodward on %,	121	40		
"		" " for sales this day,	36	00		
"	19	" " " " " "	31	00		
"		" " of Geo. W. Howe on %,	40	00		
"	20	" " for sales this day,	14	00		
"	21	" " of L. Muzzy on %,	20	00		
"		" " for sales this day,	28	00		
"	22	" " " " " "	42	00	360	40
					1,136	26
May	24	To balance from last week,			566	65
"		" cash sales this day,	18	00		
"		" rec'd from Geo. W. Howe on %,	10	12		
"	25	" " for sales this day,	39	00		
"	26	" " " " " "	42	00		
"	27	" " " " "	47	00		
"	28	" " of H. H. Sawtelle on %,	8	00		
"	29	" " for sales this day,	51	00	215	12
					781	77
May	31	To balance from last week,			724	77

CASH (Paid). *Cr.*

1875.						
May	4	By paid for carpenters for repairing,	6	25		
"		" " " lumber " "	2	87		
"	6	" amount paid J. L. Davis for merchandise bought in Boston as per bills receipted and his expenses,	4168	37		
"	8	By paid for drayage,	7	00		
"		" " freight bill,	32	18	4216	67
May		By amount on hand,			608	11
					4824	78
May	10	By paid J. L. Davis on private %,	16	00		
"	12	" " for confectionery,	11	75		
"		" " " pocket cutlery of peddler,	27	00		
"		" " J. O. Hancock on private %,	13	50		
"	15	" " taxes for James L. Davis,	28	00	96	25
May	15	By amount on hand,			775	86
					872	11
May	19	By p'd bill mdse. b't of Johnson & Hicks,	561	00		
"		" " for freight and drayage,	8	61	569	61
May	22	By balance on hand,			566	65
					1136	26
May	24	By paid J. O. Hancock,	15	00		
"	28	" " for wood,	8	00		
"	29	" " " clerk hire,	34	00	57	00
May	29	By balance on hand,			724	77
					781	77

LEDGER.

The partners' accounts should be opened first in the ledger. They should be kept in the same manner as other accounts, and should be closed with red ink balances after the gain or loss has been posted to the proper side of the account. Most merchants have a separate account, called a private account, in which all the items of a partner are entered during the month; and, when the ledger is closed, the private account is closed into the partner's account. In this form we have thought best not to make use of the private account.

INVENTORIES.

In actual business there would be an inventory of merchandise invested by J. O. Hancock, and also one of the merchandise remaining in the store at the close. The amount of these would be ascertained by taking an account of stock remaining unsold at the time, usually at cost.

We have given a form for an inventory in the IX. Example; but where no inventory is given, the amount is assumed without any regard to purchases or sales. The amount of merchandise in the balance account cannot be ascertained from any data in the textbook.

Dr. JAMES L. DAVIS. *Cr.*

1875.					1875.				
May 10	To cash,	57	16	00	May 3	By investment,	56	9,000	
" 15	" "	57	28	00	" 31	" net gain,	57	204	31
May 31	To balance,		9,160	31					
			9,204	31				9,204	31
					June 1	By balance,		9,160	31

Dr. J. O. HANCOCK. *Cr.*

1875.					1875.				
May 12	To sundries,	57	26	05	May 3	By investment,	56	9,000	
" 24	" cash,	58	15	00	" 31	" net gain,	57	204	31
May 31	To balance,		9,163	26					
			9,204	31				9,204	31
					June 1	By balance,		9,163	26

Dr. HENRY H. SAWTELLE. *Cr.*

1875.					1875.				
May 4	To mdse.,	56	37	85	May 12	By cash,	57	60	00
" 10	" "	57	52	15	" 28	" "	58	8	00
" 28	" "	58	6	42	May 31	By balance,		28	42
			96	42				96	42
June 1	To balance,		28	42					

Dr. BENJ B. WEBB. *Cr.*

1875.					1875.				
May 5	To mdse.,	56	12	46	May 15	By cash,	57	10	00
" 14	" "	57	6	04	May 31	By balance,		8	50
			18	50				18	50
June 1	To balance,		8	50					

Dr. GEO. W. HOWE. *Cr.*

1875.					1875.				
May 5	To mdse.,	56	21	76	May 19	By cash,	58	40	00
" 10	" "	57	18	60	" 24	" " to bal.,	58	10	12
" 15	" plaster,	57	3	60					
" 17	" mdse.,	58	6	16					
			50	12				50	12

Dr. LIVINGSTON MUZZY. *Cr.*

1875.					1875.				
May 6	To mdse.	56	22	69	May 21	By cash,	58	20	00
" 21	" "	58	5	80	May 31	By balance,			
			28	49				28	49
June 1	To balance,		8	49					

Dr. MOSES T. WOODWARD. *Cr.*

1875.					1875.				
May 8	To mdse.	56	121	40	May 18	By cash,	58	121	40
May 24	To mdse.	58	45	80	May 31	By balance,		59	05
" 26	" "	58	7	25					
" 29	" "	58	6	00					
			59	05				59	05
June 1	To balance,		59	05					

PROOF-SHEET.

DR.		CR.
$44.00	James L. Davis	$9,000.00
41.05	J. O. Hancock	9,000.00
96.42	Henry H. Sawtelle	68.00
18.50	Benj. B. Webb	10.00
50.12	Geo. W. Howe	50.12
28.49	Livingston Muzzy	20.00
121.40	Moses T. Woodward	121.40
59.05	Moses T. Woodward	
$459.03		$18,269.52

Total footings of debit side of ledger,	$459.03
Total footings of credit side of ledger,	18,269.52
	$18,728.55
Total footings of day-book,	$18,728.55

This proof-sheet should be made before any of the accounts are closed in the ledger in order to test the correctness of the work. Then a statement of the assets and liabilities should be made, the loss or gain should be ascertained, and each partner should be credited in the day-book with his share of the gain, or debited with his share of the loss. These entries should be posted to the proper side of the partner's account, and the ledger should then be closed with red ink balances, which should be brought down on the other side of the account as the balance at the beginning of the next month.

ASSETS.

Store and fixtures per inventory valued at	$6,000.00
Merchandise " " " "	11,494.34
Cash as per cash-book	724.77
Henry H. Sawtelle owes on %	28.42
Benj. B. Webb " " "	8.50
Livingston Muzzy " " "	8.49
M. T. Woodward " " "	59.05
Total assets, May 31, 1875	$18,323.57

LIABILITIES.

James L. Davis, net capital May 1	$9,000.00	
James L. Davis drew out during the month	44.00	
James L. Davis, net capital May 31, exclusive of gain		$8,956.00
J. O. Hancock's net capital May 1	$9,000	
J. O. Hancock drew out during the month	41.05	
J. O. Hancock's net capital May 31, exclusive of gain		8,958.95
Total net capital exclusive of gain		$17,914.95
Total net gain		$408.62
James L. Davis's net gain		$204.31
J. O. Hancock's net gain		$204.31
James L. Davis's net capital May 31		$9,160.31
J. O. Hancock's " " " "		$9,163.26

Dr. BALANCE ACCOUNT. *Cr.*

1875.				1875.			
May 31	Store and fixtures,	6,000	00	May 31	By J. L. Davis,	9,160	31
	Mdse.*	11,494	34		" J. O. Hancock,	9,163	26
	Cash,	724	77				
	H. H. Sawtelle,	28	42				
	Benj. B. Webb,	8	50				
	L. Muzzy,	8	49				
	M. T. Woodward,	59	05				
		18,323	57			18,323	57

* Assumed.

155. What are assets?

All kinds of property owned by the proprietor or proprietors, such as real estate, merchandise, stocks, bonds, notes, and personal accounts.

156. What are liabilities?

All debts due others on notes or accounts, and the net capital.

157. What is the net capital?

The net capital is the difference between the assets and liabilities. Hence the total assets must equal the liabilities after the gain is closed into the partner's account, if the work is correct.

158. Why is net capital a liability?

Because the business owes the net capital to the proprietors.

159. What is the balance account?

An account in which are entered the assets and liabilities. The assets are entered on the Dr. side, and the liabilities on the Cr. side.

160. Why should this account always balance?

Because the assets and liabilities are always equal when the loss or gain is properly closed into the partner's account.

161. What is the use of the balance account?

It is a test of the correctness of the closing of the ledger, while the proof-sheet is a test of the correctness of the posting.

162. What would be necessary, if at any time one of the partners should wish to retire from the business?

Close the ledger as above, pay him his net capital, debit him with the amount, and balance his account.

163. What would be necessary in order, at any time, to receive a partner into the firm?

Close the ledger as above; let the new partner pay any amount agreed upon by him and the other parties; credit him with the same; and continue the business as before.

EXAMPLE VIII.

May 3, 1875. — William A. Bailey and John K. Somers enter into partnership under the firm name of Bailey & Somers, as dealers in furniture and carpets. William A. Bailey invests mdse. valued at $7,862, and cash amounting to $1,138. John K. Somers invests his store valued at $3,000, and cash $6,000.

May 4. — Paid for set of books, and other expenses, $27.32. Sold Charles O. Ramsey on %, 1 sofa, $42.00; 4 parlor chairs, @ $5.00; 1 marble-top table, $28.00. Received cash for sales this day, $18.00.

May 5. — Received cash for sales this day, $21.00.

May 6. — Paid for bill of mdse. bought in Boston, $7,014.12. Sold Jacob S. Coombs on %, 1 black-walnut chamber set, $72.00. Received cash for sales this day, $31.00.

May 7. — Paid for freight, $37.41. Paid for drayage, $8.12. Sold Damon G. Usher on %, 25 yds. Brussels tapestry carpeting, @ $1.20; 28 yds. ingrain carpeting, @ 50¢; 30 yds. 4-4 straw matting, @ 20¢. Received for cash sales, $18.50.

May 8. — Charles O. Ramsey has this day paid cash on %, $40.00. Sold Jacob S. Coombs on %, 1 doz. common chairs, $7.00; 1 rocker, $4.50. Sold Mrs. Mary S. Walker on %, 42 yds. velvet carpeting, @ $4.00; 18 yds. straw matting, @ 30¢. Received cash for sales this day, $62.00.

May 10. — Sold Charles O. Ramsey on %, 1 book-case, $29.00. Paid John K. Somers cash on private %, $14.00. Received cash of Jacob S. Coombs on %, $75.00. Received for sales this day, $13.75.

May 11. — Received cash for sales this day, $42.00.

May 12. — Sold E. W. Lawrence on %, 1 cottage bedstead, $4.50; 1 what-not, $13.60; 1 black-walnut extension table, $19.00. Sold Abel Tyler on %, 24 yds. stair-carpeting, @ 62¢; 1 hall-mat, $3.50; 1 crumb-cloth, $9.00. Received cash for sales this day, $32.00.

May 13. — Cash received for sales this day, $81.00.

May 14. — Received cash on % of Charles O. Ramsey, $50.00. Sold Damon G. Usher on %, 1 parlor suit, $200.00. Paid W. A.

Bailey cash on private %, $19.00. Received for sales this day, $46.00.

May 15. — Cash sales this day, $81.00.

May 17. — Sold Jacob S. Coombs on %, 1 doz. dining chairs, @ $3.00 each; 1 wardrobe, $32.00. Received cash for sales this day, $43.00.

May 18. — Received cash for sales this day, $37.50.

May 19. — Received of Damon G. Usher on %, $50.00. Sold Mrs. Mary S. Walker on %, 1 bureau, $36; 1 plush parlor suit, $238.00; 1 doz. dining chairs, @ $3.00 each. She pays us $200.00 on %. Cash received for sales, $91.00.

May 20. — Received for sales this day, $44.00.

May 21. — Sold Abel Tyler on %, 1 chamber set, $71.00; 1 wash-stand, $5.00; 1 music-stool, $5.00. Sold E. W. Lawrence 9 yds. bocking, @ $1.50; 26 yds. stair-carpeting, @ $1.30. Received cash for sales, $40.00.

May 22. — Paid John K. Somers on private %, $11.50. Received of Charles O. Ramsey cash to balance %, $29.00. Cash received for sales this day, $62.00.

May 24. — Received cash for sales this day, $67.00. Received of Jacob S. Coombs on %, $50.00.

May 25. — Sold Damon G. Usher on %, 1 bureau, $17.00; 1 sink, $8.00; 1 bracket, $3.00. Sold Mrs. Mary S. Walker on %, 1 lounge, $36.00. Received cash for sales, $69.00.

May 26. — Cash received for sales this day, $74.00.

May 27. — Received cash for sales this day, $82.00.

May 28. — Paid William A. Bailey cash on private %, $13.75. Received of Abel Tyler on %, cash, $60.00. Received cash for sales, $87.00.

May 29. — Paid clerk-hire, $36.00. Paid for repairs, $7.00. Sold Abel Tyler 1 sofa, $42.00. Cash for sales this day, $104.00.

PROOF-SHEET.

$32.75		William A. Bailey	$9,000.00
25.50		John K. Somers	9,000.00
119.00		Charles O. Ramsey	119.00
151.50		Jacob S. Coombs	125.00
278.00		Damon G. Usher	50.00
519.40		Mrs. Mary S. Walker	200.00
84.40		E. W. Lawrence	000.00
150.38		Abel Tyler	60.00
$1,360.93			$18,554.00

$1,360.93 total debits of the ledger.
18,554.00 total credits of the ledger.

$19,914.93 total debits and credits.
19,914.93 total footing of day-book.

BALANCE ACCOUNT.

1875.				1875.			
May 31	To Store,	3,000	00	May 31	By W. A. Bailey,	9,283	39
	" Mdse.*	13,074	82		" J. K. Somers,	9,290	64
	" Cash,	1,750	53				
	" J. S. Coombs,	26	50				
	" D. G. Usher,	228	00				
	" Mrs. M. S. Walker,	319	40				
	" E. W. Lawrence,	84	40				
	" Abel Tyler,	90	38				
		18,574	03			18,574	03

* Assumed.

FIFTH FORM.

The previous forms are designed for farmers, mechanics, and retail dealers. The fifth is designed for wholesale merchants, or retail dealers doing a more extensive business. In addition to the books employed in the fourth form, a sales-book, an invoice-book, and a bill-book are introduced. The use of each will be explained in the proper connection.

The ninth example represents the business transactions of Daniel G. Moody and William T. Collins, who have united their capital and interest in a wholesale and retail flour and grain trade, under the firm name of Moody & Collins.

EXAMPLE IX.

The record of the transactions of this example will be omitted for the same reason as before.

INVOICE-BOOK.

164. What use is made of the invoice-book?

The invoice-book should contain a record of all merchandise on hand at the commencement of business, and all merchandise bought.

165. How should the invoice-book be ruled?

Like a ledger of the second form.

166. What should be written on the first horizontal line?

The same as in the day-book of third form.

167. What should be placed in the first column?

The date.

168. What in the second column?

The page of the several books to which the transactions are to be transferred, with red ink.

169. What in the third column?

Transactions.

170. Fourth and fifth?

Short extensions.

171. Sixth and seventh?

Full extensions.

Some book-keepers prefer to make use of a separate book for the inventory of merchandise on hand, instead of inserting it in the invoice-book. This is probably the better method. The other form will be shown in Part II.

The articles bought and sold in this example are of such a nature that they can be easily traced. The learner will ascertain if the inventory at closing is correct.

New Hampton, N.H., June 1, 1875.

		[*Inventory of Merchandise invested by* DANIEL G. MOODY *in the firm of* MOODY & COLLINS.]				
		10 bbls. St. Louis ch. ex. flour @ $10.00,	100			
		12 " medium ex. flour @ $8.00,	96			
		15 " extra flour @ $7.00,	105			
		40 " Western superfine flour @ $5.50,	220			
		30 " Southern extra flour @ $6.50,	195			
	77	20 " " choice ex. flour @ $8.00,	160			
		80 bush. white wheat @ $1.90,	152			
		30 " barley @ $1.50,	45			
		154 " Southern corn @ 77¢,	118	58		
		130 " Western yellow corn @ 75¢,	97	50		
		310 " oats @ .60,	186			
		200 " rye @ $1.00,	200			
		8 tons shorts @ $20.00,	160			
		3 " fine feed @ $21.00,	63			
		4 " middling @ $23.00,	92		1,990	08
		(Day-book. — Investment of D. G. M.)				
4		*Bought of* E. P. PRESCOTT & Co., *Concord.*				
		20 bbls. Baltimore flour @ $10.00,	200			
	77	10 " rye flour @ $6.00,	60			
		3 " oatmeal @ $7.00,	21			
		1000 lbs. buckwheat flour @ 3¢,	30			
		400 bush. Southern white corn @ 80¢,	320		631	
		(Day-book. — On ¢ at 10 days.)				
10		*Bought of* THAXTER, SHAW, & Co.				
		100 bbls. St. Louis flour @ $9.50,	950			
	81	100 " Southern extra @ $6.25,	625			
		200 bush. Western white corn @ 70¢,	140			
		100 " oats @ 62¢,	62		1,777	
		(Cash-book. — Paid cash.)				
14		*Bought of* E. P. PRESCOTT & Co.				
	80	400 bush. Southern mixed corn @ 70¢,	280			
		100 " barley @ $1.50,	150			
		100 bbls. Genesee flour @ $8.00,	800		1,230	
		(Bill-book. — Note at 10 days.)				
		Amount forward,			5,628	08

New Hampton, June 24, 1875.

	Amount brought forward,			5,628	08
	Bought of E. P. PRESCOTT & Co.				
86	500 bush. corn meal, @ 80¢,	400			
	100 bbls. flour @ $9.00,	900		1,300	
	(Bill-book.— Note at 30 days.)				
	Total invoice of the month,			6,928	08
	[*Inventory of Mdse. remaining unsold at the close of the month.*]				
	400 bush. Southern mixed corn @ 70¢,	280			
	400 " corn meal @ 80¢,	320			
	300 " Southern white corn @ 80¢,	240			
85	100 bbls. Genesee flour @ $8.00,	800			
	99 " " " @ $9.00,	891			
	4 tons shorts @ $20.00,	80			
	2 " fine feed @ $21.00,	42			
	3 " middling @ $23.00,	69			
	700 lbs. buckwheat flour @ 3¢,	21		2,743	
	(Balance a/c — Assets.)				

The inventory of merchandise on hand June 1, is entered first in the invoice-book. At the bottom of the entry, on the right hand, is written "investment of D. G. M.," with red ink, to show from whom it was received. At the left "day-book" is written to show to what book it is transferred; in the second column, the page of the book to which it is transferred. When merchandise is bought on a note, it is transferred to the bill-book; when for cash, to the cash-book; when on account, to the day-book. For convenience we have inserted in the invoice-book the inventory of merchandise remaining unsold at the close of the month. The amount should be transferred to the balance account.

SALES-BOOK.

New Hampton, N.H., June 2, 1875.

		Sold EDWIN F. CATE.				
		10 bbls. extra St. Louis flour @ $8.00,	80			
	77	100 bush. Southern corn @ 84¢,	84			
		50 " oats @ 65¢,	32	50		
		2 tons shorts @ $22.00,	44		240	50
		(Day-book.— On %.)				
3		*Sold* F. L. WILEY.				
		20 bbls. Southern ex. flour @ $7.00,	140			
	80	40 bush. rye @ $1.10,	44			
		50 " Western yellow corn @ 80¢,	40		224	
		(Cash-book. — For cash.)				
5		*Sold* GEORGE F. SHERBURNE.				
		10 bbls. ch. ex. St. Louis flour @ $11.00,	110			
		10 " Western superfine flour @ $6.00,	60			
	86	20 bush. white wheat @ $2.00,	40			
		1 ton fine feed,	25			
		½ bbl. oatmeal,	5		240	
		(Bill-book. — Note at 10 days.)				
9		*Sold* JOHN J. HARPER.				
		12 bbls St. Louis medium flour @ $9.00,	108			
		5 " " extra " @ $8.00,	40			
	78	10 " Southern " " @ $7.00,	70			
		15 bush. barley @ $1.60,	24			
		100 " southern white corn @ 90¢,	90		332	
		(Day-book. — 10 days on %.)				
12		*Sold* CYRUS S. NORMAN.				
		30 bbls. western super. flour @ $6.00,	180			
		20 " Southern ch. ex. @ $9.00,	180			
	83	100 bush. oats @ 70¢,	70			
		54 " Southern corn @ 80¢,	43	20		
		15 " barley @ $1.60,	24			
		60 " white wheat @ $2.00,	120		617	20
		(Bill-book. — Note at 10 days.)				
					1,653	70

New Hampton, June 14, 1875.

		Amount brought forward,			1,653	70
		Sold JOSIAH H. CONNER.				
	78	50 bbls. St. Louis flour @ $10.00,	500			
		50 " Southern extra flour @ $6.75,	337	50	837	50
		(Day-book. — On ℔.)				
16		*Sold* EDWIN F. CATE.				
		80 bush. Western yellow corn @ 80¢,	64			
		100 " rye @ $1.10,	110			
	80	200 " oats @ 65¢,	130			
		2 tons shorts @ $24.00,	48			
		10 bbls. rye flour @ 7.00,	70			
		20 " Baltimore flour @ $11.00,	220			
		1 bbl. oatmeal,	8		650	
		(Cash-book. — Rec'd cash.)				
		Sold WILLIAM T. COLLINS. (Private ℔.)				
22	79	1 bbl. flour,	9			
		½ " oatmeal,	5		14	
		(Day-book. — Private ℔.)				
28		*Sold* ALDEN F. FULLER.				
		60 bush. oats @ 70¢,	42			
		60 " rye @ $1.10,	66			
	85	1 bbl. oatmeal,	9			
		300 lbs. buckwheat flour @ 4¢,	12			
		1 ton middling,	25		154	
		(Bill-book. — Sent in bill.)				
30		*Sold* HENRY M. AMES.				
		200 bush. Western white corn @ 80¢,	160			
		50 bbls. St. Louis flour @ $10.00,	500			
	80	50 " Southern extra flour @ $7.00,	350			
		100 bush. barley @ $1.62,	162			
		100 " corn meal @ 90¢,	90		1,262	
		(Cash-book. — Rec'd cash.)				
		Total sales for the month,			4,571	20

172. What use is made of the sales-book?

The sales-book should contain a record of merchandise sold.

173. How should the sales-book be ruled?

Like the invoice-book.

174. How should the entries be made?

Like those in the invoice-book; only the third column should contain merchandise sold, instead of merchandise bought.

Some book-keepers prefer to post directly from the invoice-book and sales-book, rather than transfer the entries, and post the results. In order to illustrate both methods, we adopt this form in single entry, and the other in double entry. The learner should thoroughly understand both methods. In actual business he can use either.

DAY-BOOK.

What transactions should be entered in the day-book of this form?

Cash received, and cash paid out on account, should be entered in the day-book and cash-book; merchandise *bought* on account should be entered in the invoice-book, and then transferred to the day-book; merchandise sold on account should be entered in the sales-book, and then transferred to the day-book. The assets and liabilities of the partners, except net capital, should be entered in the day-book when the books are opened; and the net gain should be entered when they are closed.

Charles Gray and John J. Harper owe Daniel G. Moody. Their accounts are in Daniel G. Moody's books, not given in this treatise. The agreement is, that they shall pay the balances due Daniel G. Moody to the firm. He therefore credits them for enough to balance their accounts in his old books, and debits them for the same amounts in the books of the firm. Moody is also credited for the same amounts. William T. Collins is debited, and Cooper and Connor are credited for like reasons.

New Hampton, N.H., June 1, 1875.

		DANIEL G. MOODY, *Cr.*				
		By mdse. per Invoice Book,	1,990	08		
		" Peter C. Snow's note and int. per B. B.	604	60		
	82	" Charles Gray, due on %,	163			
		" John J. Harper, due on %,	132			
		" cash,	1,110	32	4,000	
		WILLIAM T. COLLINS, *Cr.*				
		By store and fixtures invested,	2,800			
		" cash invested,	1,600		4,400	
	82	CONTRA, *Dr.*				
		To Edwin F. Cate, balance due him on %,	160			
		" Josiah H. Conner, " " "	140			
		" Leonard Cooper, " " "	100		400	
		CHARLES GRAY, *Dr.*				
	82	To amount due D. G. Moody,			163	
		JOHN J. HARPER, *Dr.*				
	82	To amount due D. G. Moody on his investment,			132	
		EDWIN F. CATE, *Cr.*				
	82	By amount due from W. T. Collins, assumed by firm,			160	
		JOSIAH H. CONNER, *Cr.*				
	83	By amount due from W. T. Collins, assumed by firm,			140	
		LEONARD COOPER, *Cr.*				
	83	By amount due from W. T. Collins, assumed by firm,			100	
2		EDWIN F. CATE, *Dr.*				
	82	To bill mdse., (Sales-Book, page 73),			240	50
4		E. P. PRESCOTT & Co., *Cr.*				
	83	By bill mdse., per Invoice Book,			631	
5		JOSIAH H. CONNER, *Dr.*				
	83	To cash to balance %,			140	
		Amount forward,			10,506	50

New Hampton, June 7, 1875.

		Amount brought forward,		10,506	50
		LEONARD COOPER, *Dr.*			
	81	To cash to balance %,		100	
9		JOHN J. HARPER, *Dr.*			
	82	To bill mdse. per Sales-Book,		332	
11		WILLIAM T. COLLINS (private %), *Dr.*			
	83	To cash on private %,		32	
12		DANIEL G. MOODY (private %). *Dr.*			
	84	To paid gas bill for him,		17	
14		JOSIAH H. CONNER, *Dr.*			
	85	To mdse. per Sales-Book,		837	50
14		E. P. PRESCOTT & CO., *Dr.*			
	86	To cash to balance %,		631	
17		JOHN J. HARPER, *Cr.*			
	87	By cash on %,		400	
19		DANIEL G. MOODY (private %), *Dr.*			
	88	To cash on %,		13	
		Amount forward,		12,869	00

New Hampton, June 22, 1875.

		Amount brought forward,		12,869	00
		WILLIAM T. COLLINS (private %), *Dr.*			
	89	To bill mdse. per Sales-Book,		14	
23		JOSIAH H. CONNER, *Cr.*			
	90	By cash on %,		700	
28		WILLIAM T. COLLINS (private %), *Dr.*			
	91	To cash on %,		17	
		Total footing of Day-Book,		13,600	
		DANIEL G. MOODY, *Cr.*			
	92	By ½ net gain for month,		14	59
		WILLIAM T. COLLINS, *Cr.*			
	93	By ½ net gain for month,		14	59
		Total footing, including net gain,		13,629	18

CASH. *Dr.*

1875.						
June	1	To amount invested by Daniel G. Moody,	1,110	32		
		" " " Wm. T. Collins,	1,600			
	3	" rec'd of F. L. Wiley per sales-book,	224			
	16	" " of E. F. Cate, per sales-book,	650			
	16	" " for P. C. Snow's note,	606	30		
		" " of J. J. Harper in full of %,	400			
	18	" " for G. H. Sherburne's note,	240			
	23	" " of J. H. Conner on %,	700			
	25	" " of C. S. Norman in full for note,	617	20		
	30	" " of Henry M. Ames, per S. B.	1,262			
					7,409	82
					7,409	82
July	1	To balance from last month,			3,094	19

CASH. *Cr.*

1875.						
June	1	By paid for set of books,	26	25		
	5	" J. H. Conner on %,	140			
	7	" Leonard Cooper on %,	100			
	10	" Thaxter, Shaw, & Co. per I. B.	1,777			
	11	" Daniel G. Moody's gas bill,	17			
		" W. T. Collins on private %,	32			
	14	" E. P. Prescott & Co. on %,	631			
	19	" D. G. Moody on private %,	13			
	26	" note favor of E. P. Prescott & Co.	1,230			
	28	" W. T. Collins on private %,	17			
	30	" clerk hire,	75			
		" freight bill,	247			
		" sundry expenses,	10	38		
					4,315	63
		By balance on hand,			3,094	19
					7,409	82

Dr. BALANCE ACCOUNT. Cr.

(Assets.) (Liabilities.)

1875.					1875.				
June 1	To mdse.,	1,990	08		June 1	By E. F. Cate's %,	160		
	" P. C. Snow's note,	604	60			" J. H. Conner's %	140		
	" Cha's Gray's %,	163				" L. Cooper's %,	100		
	" J. J. Harper's %,	132				" D. G. Moody's net investm't,	4,000		
	" store and fixt'rs,	2,800				" W. T. Collins's net investm't,	4,000		
	" cash,	2,710	32						
		8,400					8,400		

Dr. DANIEL G. MOODY. Cr.

1875.					1875.				
June 30	To private %,	83	30		June 1	By investment,	77	4,000	
					" 30	" net gain,	79	14	59
			4,014	59				4,014	59
					July 1	By balance,		3,984	59

Dr. WILLIAM T. COLLINS. Cr.

1875.					1875.				
June 1	To am't assumed,	77	400		June 1	By investment,	77	4,400	
" 30	" private %,	83	63		" 30	" net gain,	79	14	59
			4,414	59				4,414	59
					July 1	By balance,		3,951	59

Dr. CHARLES GRAY. Cr.

1875.					1875.				
June 1	To bal. due D. G. Moody,	77	163						
July 1	To balance,		163						

Dr. JOHN J. HARPER. Cr.

1875.					1875.				
June 1	To am't due D. G. Moody,	77	132		June 17	By cash,	78	400	
" 9	To mdse. per S. B.	78	332						
			464					464	
July 1	To balance,		64						

Dr. EDWIN F. CATE. Cr.

1875.					1875.				
June 2	To mdse. Sales-B'k,	77	240	50	June 1	By am't due from W. T. C.,	77	160	
								80	50
			240	50				240	50
July 1	To balance,		80	50					

Dr. JOSIAH H. CONNER. Cr.

1875.					1875.				
June 5	To cash to bal.	77	140		June 1	By am't due from W. T. C.	77	140	
June 14	To mdse. S. B.	78	837	50	June 23	By cash,	79	700	
						By balance,		137	50
			837	50				837	50
July 1	To balance,		137	50					

Dr. LEONARD COOPER. Cr.

1875.					1875.				
June 7	To cash to bal.	78	100		June 1	By am't due from W. T. C.	77	100	

Dr. E. P. PRESCOTT & Co. Cr.

1875.					1875.				
June 14	To cash to bal.	78	631		June 4	By mdse. I. B.	77	631	

Dr. WILLIAM T. COLLINS. (Private.) Cr.

1875.					1875.				
June 11	To cash,	78	32						
" 22	" mdse	79	14						
" 28	" cash,	79	17						
			63					63	

Dr. DANIEL G. MOODY. (Private.) Cr.

1875.					1875.				
June 12	To paid his bill,	78	17						
" 19	" cash,	78	13						
			30					30	

Dr. (Assets.) BALANCE ACCOUNT. (Liabilities.) Cr.

1875.					1875.				
June 30	To cash,	3,094	19		June 30	By note favor of E. P. P. & Co.	1,300		
	" store & fixtures,	2,800				By Dan'l G. Moody,	3,984	59	
	" mdse.	2,743				By Wm. T. Collins,	3,951	60	
	" Charles Gray,	163							
	" John J. Harper,	64							
	" Edwin F. Cate,	80	50						
	" Jos. H. Conner,	137	50						
	" A. F. Fuller's n'te	154							
		9,236	19				9,236	19	

PROOF-SHEET.

DR.		CR.
. . .	Daniel G. Moody	$4,000.00
$400.00 . . .	William T. Collins	4,400.00
163.00 . . .	Charles Gray	
464.00 . . .	John J. Harper	400.00
240.50 . . .	Edwin F. Cate	160.00
140.00 . . .	Josiah H. Conner	140.00
837.50 . . .	Josiah H. Conner	700.00
100.00 . . .	Leonard Cooper	100.00
631.00 . . .	E. P. Prescott & Co.	631.00
63.00 . . .	William T. Collins (private) . .	
30.00 . . .	Daniel G. Moody " . .	
$3,069.00		$10,531.00

Total footings of the debtor side of the ledger,	$3,069.00	
" " " credit " " "	10,531.00	
Total footing of debtor and credit sides of ledger,	$13,600.00	
Total footings of the day-book,	$13,600.00	

ASSETS, JUNE 30.

Cash as per cash-book		$3,094.19
Store and fixtures valued at		2,800.00
Mdse. per inventory		2,743.00
Charles Gray owes on %		163.00
John J. Harper owes on %		64.00
Edwin F. Cate " "		80.50
Josiah H. Conner " "		137.50
Alden F. Fuller owes on note		154.00
Total assets June 30,		$9,236.19

LIABILITIES.

Note favor of E. P. Prescott & Co.		$1,300.00	
Daniel G. Moody net capital June 1 .	$4,000.00		
Daniel G. Moody drew out on private % .	30.00		
His net capital exclusive of gain		3,970.00	
William T. Collins's net capital June 1 .	$4,000.00		
Drew out on private %	63.00		
His net capital exclusive of gain		$3,937.00	
Total liabilities exclusive of gain			$9,207.00
Total net gain			$29.19
Daniel G. Moody's net gain			$14.59
William T. Collins's net gain			$14.60
Daniel G. Moody's net capital at closing			$3,984.59
William T. Collins's " "			$3,951.60

The various amounts drawn out by the partners during the month are carried to their private accounts, and at the end of the month they are closed into the partner's accounts. Most book-keepers prefer this method, rather than the one in the fourth form.

We also open the ledger, and close it, with a balance account, so that the assets and liabilities may be seen at a glance; but the balances are brought down on the opposite side of the account so that it will not be necessary to open the next month's business in the day-book with the assets and liabilities of the partners as before.

NOTES.

175. What is a note?

A written promise to pay a certain sum of money, on demand, or at a specified time.

176. Who is the maker of a note?

The person who promises to pay. His name should be written at the right hand, below the body of the note.

177. Who is the payee of a note?

The person to whom the amount of the note is to be paid. His name is usually inserted in the body of the note. But his right can be transferred by a proper indorsement on the back of the note. The person who writes his name on the back of a note is called an indorser.

BILL-BOOK.

NOTES AND BILLS

No.	Maker.	Payee.	Date. 1875.		Time.
1	Peter C. Snow,	Daniel G. Moody,	April	15	60 days.
2	Geo. F. Sherburne,	Moody & Collins,	June	5	10 "
3	Cyrus S. Norman,	Moody & Collins,	"	12	10 "
4	Alden F. Fuller,	Moody & Collins,	"	28	20

NOTES AND BILLS

No.	Maker.	Payee.	Date. 1875.		Time.
1	Moody & Collins,	E. P. Prescott & Co.	June	14	10 days.
2	Moody & Collins,	E. P. Prescott & Co.	"	24	30 "

178. What is a bill-book?

A bill-book is a book in which a record is kept of notes and bills receivable and payable, stating when received or issued, when due, when paid or otherwise disposed of.

179. What should be placed among the bills receivable?

Notes and bills received from other parties by the proprietor.

180. What should be placed among the bills payable?

Notes and bills issued to other parties by the proprietor.

BILL-BOOK.

RECEIVABLE.

When due. Year.	Month.	Day.	Amount.		When and how disposed of.		
1875	June	$\frac{14}{17}$	600		June	16	Paid.
1875	"	$\frac{15}{18}$	240		"	18	"
1875	"	$\frac{22}{25}$	617	20	"	25	"
1875	July	$\frac{18}{21}$	154				

PAYABLE.

When due. Year.	Month.	Day.	Amount.		When and how disposed of.		
1875	June	$\frac{24}{27}$	1,230		June	26	Paid.
1875	July	$\frac{24}{27}$	1,300				

181. How should the bill-book be ruled?

There are various forms. We have adopted the above on account of its simplicity.

182. What is the meaning of the fractional forms in the day columns above?

The upper figures denote the time when the note nominally becomes due. The lower ones denote the time of the expiration of the days of grace.

183. What is meant by the days of grace?

Three days allowed for payment of a note after the specified time has expired.

The learner will find forms of notes, drafts, checks, &c., together with additional explanations in Part II.

EXAMPLE X.

June 1, 1875. — Charles Brewer and Henry Sears enter into partnership this day under the firm name of Brewer and Sears, to invest equal amounts, and share alike in the profits and loss. Charles Brewer invests merchandise as follows: —

40	bbls	St. Louis extra flour	@ $7.00	$280.00
50	"	" medium flour	@ 9.00	450.00
50	"	choice extra flour	@ 10.00	500.00
20	"	Western superfine flour	@ 6.00	120.00
20	"	" extra flour	@ 7.00	140.00
30	"	fancy Minnesota flour	@ 11.00	330.00
10	"	rye flour	@ 5.00	50.00
40	"	corn meal	@ 4.00	160.00
200	bush.	wheat	@ 1.50	300.00
100	"	barley	@ 1.75	175.00
400	"	mixed corn	@ .90	360.00
200	"	yellow corn	@ .95	190.00
100	"	oats	@ .70	70.00
100	"	rye	@ 1.20	120.00
10	tons	shorts	@ 30.00	300.00
10	"	fine feed	@ 33.00	330.00
10	"	middling	@ 35.00	350.00

Cash as per cash-book		$4,225.00
T. H. Wood owes him on %		213.00
W. B. Hazleton owes him on %		426.00
		136.00
Total investment of Charles Brewer		$5,000.00
Henry Sears invests his store valued at		$4,000.00
Cash as per cash-book		1,600.00
		$5,600.00
The firm assumes to pay for him the following: —		
To James Miller on %	$100.00	
" J. G. Wright "	240.00	
" Jasper Goodwin on note	260.00	
		600.00
Henry Sears net investment		$5,000.00

Sold Joseph Hicks on %, 10 bbls. rye flour, @ $6.00; 40 bbls. St. Louis extra flour, @ $8.00; 100 bu. mixed corn, @ $1.00. Paid cash for set books and sundries, $31.28.

June 3. — Sold H. E. Tucker, on his note at 10 days, 40 bbls. choice extra flour, @ $11.00; 20 bbls. Western superfine flour, @ $7.00; 20 bbls. Western extra flour, @ $8.00; 100 bu. wheat, @ $1.80. Paid Jasper Goodwin in full for note of Henry Sears, $260.

June 4. — Bought of George T. Crawford on %, 100 bbls St. Louis extra flour, @ $7.00; 100 bbls. Western superfine flour, @ $6.00; 100 bbls. Western extra flour, @ $7.00; 100 bbls. rye flour, @ $5.00. Paid Henry Sears cash on private account, $30.00.

June 5. — Sold T. H. Wood on %, 50 bbls. medium St. Louis flour, @ $10.00; 10 bbls. choice extra flour, @ $11.00; 30 bbls. fancy Minnesota flour, @ $12.00. W. B. Hazleton has paid cash on %, $136.00.

June 7. — Sold James M. George for cash 100 bu. yellow corn, @ $1.00; 100 bu. oats @ 80¢; 10 bbls. rye flour, @ $6.00. Bought of Cyrus Taylor for cash, 400 bu. oats, @ 70¢; 100 bbls. best Minnesota flour, @ $10.75. Paid Henry Sears on private account $14.00.

June 8. — Sold J. G. Wright on %, 100 bu. oats, @ 75¢; 100 bu. mixed corn, @ $1.00; 100 bu. barley, @ $2.00.

June 9. — Sold Warren P. Loud on his note at 10 days, 40 bbls. corn meal, @ $5.00; 100 bu. wheat, @ $1.75; 4 tons shorts, @ $35.00.

June 11. — Bought of Wesley, Colby, & Co. on %, 100 bu. white wheat, @ $1.60; 100 bu. barley, @ $1.72; 50 bbls. corn meal, @ $4.00. Paid Charles Brewer on private account, $28.00.

June 12. — Sold Joseph Hicks on %, 200 bu. mixed corn, @ $1.00; 100 bu. yellow corn, $1.05; 50 bu. rye, $1.40; 2 tons fine feed, @ $40; 5 tons middlings, @ $40. Paid George T. Crawford cash on %, $500. Received cash on %, of T. H. Wood, $1,000.

June 14. — Sold Wm. P. Ladd for cash, 50 bbls. St. Louis ex. flour, @ $8.00; 50 bbls. Western superfine, @ $7.00; 50 bbls. rye flour, @ $6.00; 50 bbls. best Minnesota flour, @ $11.00; 50 bbls. corn meal, @ $4.50.

June 16. — Sold J. G. Wright on %, 100 bu. oats, @ 75¢; 50 bu. barley, @ $2.00; 4 tons shorts, @ $30.00; 4 tons fine feed, @ $35.00; 5 tons middling, @ $40.00. Joseph Hicks has paid cash on %, $500. H. E. Tucker has paid his note of the 3d inst., due this day, $920. Paid insurance, $31.00.

June 19. — Sold James Miller on %, 50 bu. rye, @ $1.50; 2 tons shorts, @ $30.00; 4 tons fine feed, @ $35.00. Sold W. B. Hazleton for cash 100 bu. white wheat, @ $1.75.

June 21. — Paid Geo. T. Crawford cash on %, $1,000. Paid Wesley, Colby, & Co. cash on %, $500.00

June 22. — Bought of Jones & Greeley on %, 200 bbls. corn meal, @ $4.00; 100 bu. rye, @ $1.10; 10 tons shorts, @ $25.00; 10 tons fine feed, @ $30.00; 10 tons middling, @ $35.00. Paid Charles Brewer on private account, $11.50. Warren P. Loud has paid his note of the 9th inst., $515.00.

June 23. — Sold W. B. Hazleton on %, 50 bbls. St. Louis ex. flour, @ $8.00; 50 bbls. Western superfine, @ $7.00; 100 bbls. Western extra flour, @ $7.25; 40 bbls. rye flour, @ $6.00.

June 24. — Paid Geo. T. Crawford cash on %, $1,000. J. G. Wright has paid us cash on %, $600.00.

June 26. — Sold James Miller on his note at 60 days, 50 bbls. best Minnesota flour, @ $11.00; 200 bu. oats, @ 75¢; 50 bu. barley, @ $2.00.

June 28. — Bought of Cyrus Taylor on %, 100 bbls. Baltimore flour, @ $9.00; 100 bbls. Michigan flour, @ $8.00; 100 bbls. Ohio flour, @ $8.25; 100 bbls. Canada flour, @ $8.25; 100 bbls. Richmond flour, @ $8.00.

June 29. — Received cash of Joseph Hicks, $500.00. Paid Jones & Greeley, cash, $1,500.00.

June 30. — Paid for drayage, $61.50. Paid for freight, $238.00. Paid for clerk-hire, &c., 116.00. Sold Joseph Hicks on %, 10 bbls. Michigan flour, @ $9.00; 10. bbls. Richmond flour, @ $9.00; 50 bbls. corn meal, @ $5.00. Received cash of W. B. Hazleton to balance %, $1,715.00.

June 30. — Took account of merchandise on hand. Amount of inventory, $5,600.00.

Dr. BALANCE ACCOUNT. *Cr.*

1875.				1875.			
June 30	To Mdse.	5,600	00	June 30	By Wesley, Colby, & Co.	32	00
	" Cash	3,262	72		" Jones & Greeley	310	00
	" Store	4,000	00		" Cyrus Taylor	4,150	00
	" T. H. Wood	396	00		" C. B., net capital	5,240	61
	" James Miller	175	00		" H. S., " "	5,236	11
	" J. G. Wright	170	00				
	" Joseph Hicks	565	00				
	" Jas. Miller's note,	800	00				
		14,968	72			14,968	72

PROOF-SHEET.

Dr.		Cr.
	Charles Brewer	$5,000.00
$600.00	Henry Sears	5,600.00
1,396.00	T. H. Wood	1,000.00
136.00	W. B. Hazelton	136.00
1,715.00	W. B. Hazelton	1,715.00
275.00	James Miller	100.00
1,010.00	J. G. Wright	840.00
1,565.00	Joseph Hicks	1,000.00
2,500.00	Geo. T. Crawford	2,500.00
500.00	Wesley, Colby, & Co.	532.00
1,500.00	Jones & Greeley	1,810.00
	Cyrus Taylor	4,150.00
39.50	Charles Brewer (private %).	
44.00	Henry Sears (private %).	
11,280.50		24,383.00

$11,280.50 Total debits.
24,383.00 " credits.

$35,663.50 Total debits and credits
$35,663.50 " footing of day-book.

NOTES, DRAFTS, ETC.

A promissory note is a written contract, and is subject to special laws governing contracts of this kind. To constitute a promissory note certain things are requisite.

1. There must be two parties, — the maker or makers, and the payee or payees. The maker is the party who promises to pay. The payee is the party to whom the amount specified is to be paid.

2. The time of maturity must be definite and certain; the payment must not depend upon any uncertain event.

3. The note must be payable in money, and the amount should be definitely stated. When there is a discrepancy between the figures and the written words, the words govern.

4. To be negotiable, — that is, transferable by delivery, with all the legal rights enjoyed by the original payee, — it must contain certain words showing that it is payable to bearer, or to the order of the payee.

5. It must be given for a consideration, valuable in the eyes of the law. Consideration, if not expressed, is always implied. Hence the words "value received," though usually inserted, are not essential.

A Bill of Exchange or *Draft* is an order, to the person to whom it is directed, to pay the amount of money specified to the order of the person named as payee either at sight or at a certain time after sight or date.

What has been said of the essentials and requisites of a promissory note is equally true of bills of exchange and drafts. The original parties to a draft are three, — the drawer, payee, and drawee or acceptor. The drawee is the party on whom the draft is drawn, — the party who is ordered to pay the sum specified. When presented for payment, the drawee writes "Accepted," together with his name and the date, across the face of the draft. He is then called the acceptor, and becomes the principal debtor. His liability corresponds to that of the maker of a note. The drawer is the party who draws the draft. His liability is similar to that of the indorser of a note. The payee is the party to whom payment is to be made.

INDORSEMENT.

If a note or draft is payable to bearer, it can be transferred without indorsement; but, if it is made payable to the order of the payee, then the payee must write his name on the back. This is called indorsement in blank. The note or bill then becomes payable to bearer; but the payee may make it payable to the order of some other party by writing on the back, "Pay to the order of A. B.," and writing his name underneath. A. B. then becomes the indorsee, and may, in a similar manner, transfer the note or bill to another party, and so on indefinitely. This form is called "indorsement in full."

Indorsement renders the indorsée liable for the payment, if the original payer fails to pay at maturity. If the indorser wishes to avoid liability, he may write "Without recourse" over his name.

DAYS OF GRACE.

In most States three days are allowed the maker or acceptor to make payment after the time specified expires. These are called days of grace.

PRESENTMENT FOR PAYMENT.

Demand of payment at maturity is not necessary to hold the maker of a note or the acceptor of a draft, because they are the original parties; but it is necessary that demand should be made of the payer in order to hold the indorsers.

DISHONOR OF A NOTE OR BILL.

Refusal to pay when demand has been properly made is termed the dishonor of the note or bill. Notice of the dishonor should be given immediately to the indorsers, in order to hold them responsible for the payment.

CHECK.

A check is an order on a bank or banker to pay the sum specified. A check requires no acceptance, because a banker is bound to pay the check of his depositors, if he has so much of their money in his hands.

FORMS.

Some common forms of notes, drafts, checks, etc., are subjoined, which will be readily understood without further definition or explanation.

Note — Individual — Time.

$100. Boston, Mass., July 1, 1881.

Three months after date, I promise to pay John Blank, or order, one hundred dollars, value received.

A. B. M.

(Back of the Note when paid.)

Pay to the order of
William Smith & Co.
John Blank.

Pay to the order of
Thompson & Brown.
Wm. Smith & Co.
Thompson & Brown.

Note — Joint — Demand.

$175 $\frac{50}{100}$. New Hampton, N. H., July 10, 1881.

On demand, we promise to pay John Blank, or order, one hundred seventy-five $\frac{50}{100}$ dollars, value received.

A. B. M.
C. D. T.

Note — Chattel — Not Negotiable.

$250. New Hampton, N. H., Aug. 1, 1881.

For value received, I promise to pay John Blank two hundred and fifty dollars in hemlock boards, at ten dollars per M., delivered at Bristol, Feb. 1, 1882.

A. B. M.

Note — Joint and Several — Interest.

$63 $\frac{25}{100}$. Boston, Mass., July 1, 1881.

Value received, we jointly and severally promise to pay John Blank, or order, sixty-three $\frac{25}{100}$ dollars, sixty days after date, with interest.

A. B. Meservey.
C. D. Thyng.

Note — Collateral — Witnessed.

$1,000. New Hampton, N. H., July 1, 1881.

Sixty days from date, we jointly and severally promise to pay the First National College Bank of New Hampton, or order, ten hundred dollars, value received; and, as security for the payment of the same, we have deposited herewith a certificate of seventeen shares of stock in the Boston and Maine Railroad, standing in our name on the books of said company, with authority to sell the same at public or private sale, provided this note is not paid at maturity.

C. B. Marsh.

Witness: J. H. Deane. Chas. Brown.

Draft — Time.

$300. Boston, July 1, 1881.

At sixty days' sight, pay to the order of John Blank three hundred dollars, value received, and charge to the acct. of James Smith & Co.

To C. D. Thyng, New Hampton, N. H.

Draft — Sight — Bearer.

$20. Boston, July 1, 1881.

At sight, pay to John Blank, or bearer, twenty dollars, value received, and charge to acct. of

A. B. Meservey.

To C. D. Thyng,
New Hampton, N. H.

Check — Sight — Bank.

$20025. Boston, July 15, 1881.

First National Bank.

Pay to the order of Frank M. Butters

Two hundred dollars $\frac{25}{100}$.

No. 15. Charles F. Matteon.

Order for Merchandise.

$5. Boston, July 1, 1881.

Please deliver to John Blank, or bearer, five dollars' worth of merchandise from your store, and charge the same to the acct. of A. B. Matthews

To C. D. Tucker.

Receipt in Full of all Demands.

28\frac{10}{100}$. Boston, July 1, 1881.

Received of David Rush twenty-eight $\frac{10}{100}$ dollars in full of all demands to this date.

Walter Smith.

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